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Daily Report

Annex

East Asia

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Japan

Automakers Await NAFTA's Local Content Ratio

OW2708102492 Tokyo SANKEI SHIMBUN in Japanese 27 Aug 92 Morning Edition p 8—FOR OFFICIAL USE ONLY

[Text] In connection with the North America Free Trade Agreement (NAFTA), the local content ratio of Japanese automakers has recently become the subject of discussion. It was disclosed on 25 August that "Toyota Motor Manufacturing Canada" (TMMC), a Toyoto subsidiary in Canada, has so far attained a 53 percent local content ratio.

Japanese automakers are now awaiting details of a new local content calculation method which will be incorporated into NAFTA, and announced in Canada on 31 August. Although NAFTA sets an eight-year "grace period" for foreign auto manufacturers to achieve a 62.5 percent local content ratio, from now on foreign makers will have to invest in plants and equipment, and will also have to secure local part suppliers in order to drastically increase their local content ratios.

The TMMC's recently disclosed local content ratio is 3 percent higher than required in the current U.S.-Canada Free Trade Agreement (FTA). In this case, the TMMC can export its products to the United States without tariffs. It is part of TMMC's strategy to have a production base in Canada from which it can export finished products to the United States. Even if its local content ratio decreases due to NAFTA's new calculation method, "it is unlikely that the TMMC's ratio will drop below 50 percent" (according to a source connected with TMMC).

NAFTA will take effect in January 1994. It will continue to use the current local content ratio, which is 50 percent, for the first four years. But from 1998 until 2001, the ratio will be set at 56 percent and from 2002, it will be 62.5 percent. Many think that "NAFTA's standard is disadvantageous to foreign auto manufacturers and advantageous to the Big Three" (according to a top executive of a major Japanese automaker).

Auto Association Refutes U.S.-Canada Report

OW2608105192 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Aug 92 Morning Edition p 13—FOR OFFICIAL USE ONLY

[Text] The Japan Automobile Manufacturers Association, Incorporated [JAMA] (with Yutaka Kume as its chairman) recently compiled a counterreport against the report released by a U.S.-Canada special committee. The U.S.-Canada report, which was made public last June, asserted that Japan's closed market is problematic. By citing specific cases and figures in its counterreport, the JAMA points out that there are no differences in market shares of European-made cars both in Japan and in the United States. It continues that U.S.-made cars—which are specifically produced for use in the United States and thus are unsuitable for use in Japan—are marketed in Japan. The JAMA hopes to submit this report to the Governments of the United States and Canada as early as September. Because restrictions on the imports of minivans have been argued in the United States in connection with the presidential campaign, the JAMA's counterreport is likely to create a controversy in both nations.

The U.S.-Canada Automobile Special Committee (with former U.S. Commerce Secretary Peterson as chairman) is composed of auto manufacturers in the United States and Canada. The committee concluded in its June report that "Japan is conquering the North American market with its huge profits earned at home while not allowing other countries to enter its market," and proposed a joint investigation by the Governments of the United States and Canada. The JAMA thought the committee's assertion was questionable and has examined its report for two months.

The JAMA points out that the 1991 market shares of European-made cars in Japan and the United States were almost the same with 4.1 percent and 4.5 percent respectively. It says "the European cars' market share in Japan should have been lower if Japan closed its door." Because the market shares of cars produced by the Big Three in North America are low both in Europe and in Japan with 0.5 percent and 0.3 percent respectively, the JAMA stresses that "their low market share ratios are attributable to lack of efforts for exports by the Big Three."

The JAMA also refers in its report to mismatching of U.S.-made cars with the Japanese market. As many as 86 percent of cars produced by the Big Three carry engines of over 3,000 cc [cubic centimeters] displacement. However, the ratio of such big cars in the Japanese market stands at merely 2 percent. Moreover, the total number of models Japanese car makers plan to market at home and in the United States this year reaches 263, which is 81 more than U.S. makers plan to sell. The JAMA says: "The figures show that competition in car development and sales is severer in the Japanese market. It is wrong to say that because the Japanese market is protected, the market share of U.S.-made cars is low." As regards the sales of U.S.-made cars with engines of over 3,000 cc displacement in the Japanese market, the United States attained 9.7 percent of market share in 1990.

Although the JAMA evaluates highly the committee's report which in part calls for self-help efforts, it refutes it, saying: "The report is not acceptable because it ignores the fact that Japanese enterprises in the United States have created more jobs for Americans." The JAMA is currently examining the timing to submit its report. It is likely that reactions of the Governments of the United States and Canada to the report will draw people's attention.

Emperor's Planned Visit to China Viewed

Editorial on 'New Image'

OW2608105892 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Aug 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "Emperor's Visit to China To Open New Era in Japan-China Relations"]

[Text] On 25 August, the Cabinet decided on the emperor's visit to China, and he will be the first Japanese emperor to visit China in the long history of exchanges between Japan and China. It is not necessary to mention again the great significance of his visit to China.

For that reason, various views have been expressed at home on the "political nature" of the emperor's visit, and a decision on the visit was made in an unusual way. The question, however, is how the emperor's visit to China will contribute to further promoting friendship and amity between the peoples of the two countries. Believing in that possibility, many Japanese people have supported his visit to China, and we share their support.

Japan has various political issues with the United States and other nations. China also has various issues with other nations and, in particular, the human rights issue in China is under international criticism. It has been pointed out that the international community may see the emperor's visit to China as Japan's tolerance of the human rights issue in China. Some take the view that China may try to exploit the emperor's visit for its diplomatic gains.

Nonetheless, it seems that the Japanese people increasingly view the emperor's visit to China as a natural matter. China has become Japan's close neighbor through the long history of exchanges between them. The two countries have long maintained a close cultural relationship. Among other things, the Japanese people feel a sense of sin for inflicting heavy damage upon the Chinese people during the previous war.

Although the question still remains as to how to phrase the contents of the "emperor's remarks" on the unfortunate past between the two countries, his visit to China will certainly become a great event for making a clean slate of the unfortunate past, and affirming the future friendship and amity between them. The visit to China by the emperor, a symbol of national cohesion, will fulfill that purpose and most of the Japanese people hope for it.

Meanwhile, China has continually asked for the emperor's visit since 1978. This year, which falls on the 20th anniversary of the establishment of diplomatic relations between the two countries, is a crucial year for further promoting the relations of friendship and amity between the two countries. With regard to China's overall political issues with other nations, the Japanese Government should work together with the Chinese Government to resolve them. If the Japanese Government neglects this, it could cast a dark political cloud not only on Japan's relations with China, but on the emperor's future visits to other nations. The Japanese Government should do that to prevent other nations from misunderstanding the real intent of the emperor's visit to China.

There is a view among leaders of the government and the ruling party that the "more debates rage at home on the emperor's visit to China, the more efforts to create a calm climate for his visit to China are undercut, thereby increasing the political nature of his visit to that country."

There may be such a problem. However, it is not desirable to block such debates. It is necessary to build a climate in which the entire people can express openly and freely their views on the emperor's visit to China because the holding of such debates is important in making the international community understand the emperor's visit to China.

In that sense, we sincerely hope that the emperor and empress will fully enjoy their trip to China in the good autumn season and further promote friendship between Japan and China. We also expect that they will be given opportunities to get together with young Chinese people during their stay in China. It would be a wonderful thing if a new image of Japan is created among the Chinese people through such a get-together.

Past Relations Outlined

OW2708054992 Tokyo ASAHI SHIMBUN in Japanese 26 Aug 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] The government harbors great expectations that the emperor's "friendship-promotion visit" to China may become a "chance to enhance Japanese diplomacy" (as noted by a high-ranking Foreign Ministry official). The Tokyo government is well aware of the fact that the Chinese invitation is a part of its diplomatic strategy in addition to the normalization of ties with the ROK. However, Japan accepted the offer because the government views relations with China as the golden key for the Japanese diplomacy, which seeks stronger "political influence" in the post-cold war world. In this sense, the imperial visit was determined as the "strongest diplomatic card" (as noted by a diplomat in charge of the imperial visit) to end the "postwar period" between the two nations and to secure a foothold for Japanese diplomacy.

When the decision on the imperial visit to China was made on 25 August, a high-ranking Foreign Ministry official said: "At long last, his majesty will visit China, the last nation of the ABCD [expansion unknown] line." Referring to the anti-Japan encirclement strategy in the pre-World War II period, he hinted that the government expects "postwar treatment" during the imperial visit.

III

The government has been doing its best during the past few years to wipe out the "shadow of war" that still exists between Japan and other Asian nations. During a visit to Singapore in May 1991, then-Prime Minister Toshiki Kaifu expressed his regret over Japan's wartime behavior, which "led to much suffering and misery for many people in the Asian-Pacific region." In January, Prime Minister Kiichi Miyazawa also made an official apology to the ROK for the so-called Korean comfort girl issue during his first overseas trip as prime minister.

In response to Japan's plan to take part in UN peacekeeping operations (PKO), China and the ROK have been expressing their concern over Japan's intentions to revive itself as a military superpower. Unless their distrust in Japan, based on their experiences in the war should be eliminated, "Japan may possibly become isolated from the international community, not to mention from contributing to the international community," (as noted by a close associate of the prime minister).

The decision on the imperial visit to China following the Southeast Asian tour last year was made in line with the "Asia-oriented" strategy of Japanese diplomacy.

On the other hand, the Chinese side intends to make the most of the visit of the Japanese imperial couple to improve the nation's international reputation, which was affected by the Tiananmen incident in 1989. The sudden announcement of the normalization of China-ROK ties highlighted the toughness of Chinese diplomacy. Taking into account these Chinese intentions, Western nations are questioning "why Japan should fall into China's snare."

While being aware of China's calculated motives and Western nations' cool observations, the government has ventured to decide on the imperial visit to China because the government views that closer Japan-China ties are indispensable to securing stability in Asia and to maintaining Japan's influence on the international political scene.

As a matter of fact, some government officials view that "it depends on our future efforts whether or not we can establish a genuine friendship with China and obtain the confidence of neighboring nations." Since Japan is still being urged to settle war-related problems such as the comfort girl issue, the imperial visit is no more than the "starting point for Japan's postwar policy."

Concerning U.S. relations, there is an opinion as follows: "The Japan-U.S. discord on China policy has intensified since the Tiananmen incident. President Bush has taken a friendly stance toward China, but Japanese-U.S. relations might be strained if the U.S. presidency is won by Bill Clinton, the Democratic candidate who is sensitive to human rights issues."

Normalization of PRC-ROK Diplomacy Hailed

OW2508144492 Tokyo TOKYO SHIMBUN in Japanese 22 Aug 92 Morning Edition p 4—FOR OFFICIAL USE ONLY

[Editorial: "PRC-ROK Diplomatic Relations as an Impetus to Peace in Asia"]

[Text] The establishment of diplomatic relations between the PRC and South Korea is said to be in the fianl stage. As diplomatic relations between the two already exists in reality, it was said to be only a matter of time before diplomatic relations would be formally established. We hope diplomatic relations between the PRC and South Korea will promote peace and stability in Asia.

In October 1990, the PRC and South Korea made efforts to vitalize economic exchanges by establishing trade promotion offices, which also conducted mutual consular services. In addition, efforts had also been steadily made to create conditions favorable to establishing diplomatic relations, including the PRC's recognition of the existence of "two states" on the Korean peninsula when Beijing decided not to use its veto power over simultaneous membership by South and North Korea into the United Nations last fall.

In spite of these circumstances, the two nations were not able to rush into establishing diplomatic relations. The general opinion was that the PRC, which has an alliance with the DPRK (North Korea), faced opposition from the latter and decided to hold back.

It may be said that the establishment of diplomatic relations between the PRC and South Korea is in the final stage now because it is happening sooner than initially predicted, but we believe the sooner the better. The fact that the PRC and South Korea—which were enemies during the cold war—will be establishing diplomatic relations is a move in line with the trend of breaking free of the cold war, and we welcome that.

In the meantime, the establishment of diplomatic relations between the PRC and South Korea may, in the least, cause an uproar. However, all nations must have taken that into account, and we hope this move will help promote peace and stability in Asia.

There are several factors which can be accounted for in the background surrounding the PRC's and South Korea's decision to establish diplomatic relations.

For the PRC—which wants to hammer out plans at the 14th CPC Convention scheduled for this fall to further accelerate its reform and opening up policy—the establishment of diplomatic relations with South Korea, from whom the PRC can hope to receive strong economic support, is a timely political move for which it could not ask for a better chance.

Trade between the PRC and South Korea totaled $5.81 billion last year, and at the present rate it is said to be nearing the $10 billion mark this year. Between January and June this year, there were 108 cases of South Korean firms investing in the PRC, totaling $84.9 million: both figures are three times those for the same period last year. If the PRC were to normalize diplomatic relations with this country, it is inevitable these figures would further increase by leaps and bounds.

In short, the establishment of diplomatic relations between the PRC and South Korea would also become a powerful support for the PRC's reform and opening up policy.

Recently, the Republic of Niger in Africa broke off diplomatic ties with the PRC and established relations with Taiwan: also, Philippine President Ramos has been sounding out the possibility of diplomatic relations with Taiwan. It seems the PRC has been unmistakably raising its eyebrows over such moves. Undoubtedly, the PRC's current move toward the establishment of diplomatic relations with South Korea also implies an effort to keep a check on countries trying to make advances toward Taiwan.

As for South Korea, the establishment of diplomatic relations with the PRC will serve as the finishing touch to its diplomacy toward the countries to its north, and should be highly advantageous from the standpoint of expanding its economic relations with the PRC. What one must not overlook when trying to analyze the new political order in Asia is that the PRC may become more influential in the region with the establishment of diplomatic relations with South Korea, and also the moves by the DPRK and Taiwan in reaction to this development.

The relations between the PRC and the DPRK may not deteriorate very much because the PRC must have explained to the DPRK well in advance its move toward establishing diplomatic relations with South Korea, and also because the DPRK relies heavily on the PRC in military and economic areas.

However, it is also likely that the DPRK, which is falling deeply into isolation, may accelerate its advances toward Japan and the United States. However, even in this case, it is important for the DPRK to take an attitude sincere enough to sweep away western apprehension regarding its nuclear facilities.

As for Taiwan, it may not be very happy about the soon-to-come diplomatic break with South Korea. However, it seems that Taiwan's economic power, which has been built up mainly through exchanges at the civilian level, will remain steadfast internationally.

Reports Continue on Yeltsin's Upcoming Visit

To Sign Seven Agreements

OW2408132892 Tokyo YOMIURI SHIMBUN in Japanese 24 Aug 92 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] On 23 August, the governments of Japan and Russia agreed in principle to sign seven agreements when President Yeltsin visits Japan in September. The seven agreements include the establishment of consulates general in the two countries, Japan's food assistance worth $100 million to Russia, mutual relaxation of restrictions on the activities of diplomats, cultural exchanges between the two countries, particularly programs for the spread of Japanese language in the Russian Far East, prevention of maritime accidents, maritime rescue, and cooperation between the two countries for the peaceful uses of space. Foreign Minister Watanabe will hold final discussions with Russian Foreign Minister Kozyrev when the former visits Moscow on 29 August.

With regard to the agreement on the establishment of consulates general, Japan plans to establish its consulate general in Khabarovsk while Russia has long hoped to open its consulate general in Niigata.

As for the agreement on Japan's food aid worth $100 million to Russia, although Japan decided in December 1990 to provide the food assistance, the issue of how to divide the food aid to the rest of the former Soviet republics has delayed the delivery of the food. Now that Russia has designated the foreign trade bank as a point of contact for receiving food assistance from Japan and coordinating its distribution to the former Soviet republics, Japan will soon provide this aid.

As to the agreement on cultural exchanges between the two countries, the agreement aims to promote the spread of Japanese language in the Russian far east and strengthen the ongoing cultural exchanges between Japan and Russia. The agreements on the prevention of maritime accidents and the maritime rescue aim to prevent maritime troubles in both civil and military areas.

Regarding the agreement on cooperation between the two countries for the peaceful uses of space, it is designed to create a committee to discuss ways the two countries should cooperate with each other in the peaceful uses of space.

On the relaxation of restrictions on activities of diplomats, Japanese diplomats in Russia are free to travel in areas within 40 km from the center of Moscow, but they need to obtain prior approval from Russian authorities for travel beyond those areas. The Japanese Government imposes the same restrictions on Russian diplomats in Japan. The agreement is intended to relax those restrictions. In the course of discussing this agreement, Japan and Russia also will discuss ways of relaxing the complicated visa requirement for Japanese travelers in Russia.

I

It remains uncertain whether this question would be settled between the two countries before President Yeltsin visits Japan in September, however.

From the position of making the Russian president's visit to Japan a momentum to build a new Japan-Russia relationship, the Foreign Ministry is focusing its efforts on signing the seven agreements to show both at home and abroad the close relationship between the two countries.

To Discuss Northern Territories

OW2708035992 Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Aug 92 Morning Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom Database]

[Text] Referring to the outlook on talks for the return of the northern territories following Russian President Boris Yeltsin's visit to Japan, which is set for September, leading officials at the Foreign Ministry expressed the understanding on the afternoon of 26 August that "there will be no sudden turn of events. The domestic situation in Russia is rather stern."

The Japanese side emphasized its stand in calling for Russia's confirmation of Japan's sovereignty over the four islands at best, saying that "Japan will not depart from its principles. There is no ingenious plan." In addition, Japan disclosed its thinking that a settlement should be worked out through bilateral negotiations, stressing that "it is not possible for us to lightly accept the idea of leaving the case in the hands of the International Court of Justice for final judgment." Moreover, it pointed out that "only President Yeltsin is in a position to eventually make a decision. I think that he will not risk falling from power even if he has made a decision on the territorial issue."

Budget for Northern Territories To Increase

OW2708045292 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Aug 92 Evening Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom Database]

[Text] On 26 August the Management and Coordination Agency worked out a budget demand estimate for the next fiscal year totalling 1.699765 trillion yen, showing a decrease of 1.1 percent when compared with that of the current fiscal year budget. This is because pension (including provision for office expenses), which accounts for over 96 percent of the budget, has decreased by 1.3 percent over that in the budget for the current fiscal year, due to a decrease in the number of pensioners (a decrease of about 42,000 people when compared with the current fiscal year).

In contrast, the demand by headquarters on action on the Measures on the northern territories, to publicize issues concerning the return of the northern territories, has reached 962 million yen, an increase of as much as 20.4 percent over the current fiscal year.

Historical Overview of Comfort Women Issue

OW2708075192 Tokyo SEKAI in Japanese Sep 92 pp 32-39—FOR OFFICIAL USE ONLY

[Article by Yuko Suzuki, women's issue history researcher: "What Is Being Asked About in the 'Comfort Women for the Troops' Issue?"]

[Text]**Finding the Truth Is the First Step Toward Atonement**

In the results of the investigation regarding the issue of "comfort women for the troops" announced on 6 July, the Japanese Government admitted that the armed forces and the government had been deeply involved in the matter. The government made public a total of 127 documents related to it—70 documents provided by the Defense Agency, 52 by the Foreign Ministry, four by the Health and Welfare Ministry and one by the Education Ministry.

Speaking about the conclusion first, we must say that the investigation was done very inadequately. In South Korea, many women, who once served as "comfort women," have already stepped forward and have given testimony; (more recently, former "comfort women" in North Korea, Taiwan and other countries are beginning to rise up to make "denunciations.") But the government has never given them a hearing, and it seems that the government has no intention of doing so in the future either. Chief Cabinet Secretary Koichi Kato, in a press conference on 6 August, said: "We are not planning to conduct investigations by interviewing (the former comfort women and other relevant people). We have no intention of carrying out a follow-up survey either, because the issue of privacy is involved in it," (according to the front page article of MAINICHI SHIMBUN Morning Edition dated 7 July.)

I think the government should sincerely hear the charges of the victims, who were so brave to step forward and denounce the war crime. Should that not be the first step in apologizing and atonement? I urge the government to reconsider.

Second, I must note that no documents at all from such offices concerned with manpower mobilization planning and implementation during World War II, such as the former Ministry of Home Affairs, police agencies, the Labor Ministry (then Ministry of Public Welfare), the former Planning Board, and the former Ministry of Munitions, were included in the 127 documents made public. I must point out that the investigation of related data had been so inadequate as to make me suspect that no efforts have been made to search for them. One hasty mass media agency (SANKEI SHIMBUN 7 July Morning Edition p 1) concluded, "there is no data to prove the 'forced hauling' of people," based on the given information.

The government should have learned better than anyone else in the meantime that it cannot hide the truth. After the matter surfaced as a social issue, the government insisted that the government and the armed forces had not been involved in the "comfort women for the troops" issue, on the grounds that there was no data to endorse such charges. But then on 11 January, a document showing clear involvement of the armed forces in the matter was "discovered" right in the government (the Library of the Defense Agency's Defense Institute). Once that happened, there was no way for the government not to admit its involvement, and Prime Minister Miyazawa had to make "apologies" to South Korea when visiting the country soon thereafter.

There is the possibility that related data will continue to be found in Japan or other countries one after another. That is because the Japanese Armed Forces pursued the "comfort women" policy so extensively and for so long. Recently it was learned that Dutch women detained in Indonesia had been forced to serve as "comfort women" as well. (See ASAHI SHIMBUN 21 July Evening Edition pp 1, 11; ASAHI SHIMBUN 22 July Morning Edition p 5, 31; ASAHI SHIMBUN 22 July Evening Edition p 15.) Records have also been found of Australian women having been taken to recreational facilities on Sumatra Island (ASAHI SHIMBUN 23 July Evening Edition p 15).

Does the government intend to continue its practice of admitting "wrongdoings" every and each time only after data has been "discovered" and facts have been confirmed? It is no longer the time for the government to continue to avoid making earnest investigations and to play cheap tricks of trying to deny facts, hiding behind the excuse of data not having been "discovered." As long as the government continues to do as it has so far, no doubt, the impression will grow and come to be planted firmly in the people of the world that Japan and the Japanese are sneaky. Making active efforts to find the truth is really the first step in apologizing and atonement.

Let us take a look at what the issue of "comfort women for troops" was. I interpret it as a combination of national discrimination and sexual discrimination. These two discriminations are intertwined, and cannot be separated in this case. Hence, I think it is necessary to tackle the subject from the viewpoint of the two discriminations being interrelated.

The reason why many women of the Korean peninsula and Taiwan were made "comfort women" was because the leadership of the Japanese Armed Forces thought that since the women were "virgins" (although that word itself is very discriminatory), they would not infect venereal diseases on Japanese officers and men. (Actually, the Japanese officers and men infected the women with venereal diseases, however, and, as a result, no small number of these women , are suffering the aftermath even now.)

Then, there comes the question: If the leadership needed "virgins," why did they not haul out young Japanese girls?

Ms Mija Shim, a former "comfort woman," who visited Japan from early late February to early March and gave such graphic testimony, said: "Why did Emperor Hirohito victimize Korean girls, while leaving his own children alone? I want to say that you people who did such dirty things to me must have the same dirty things done to you."

Why, then, did they not send Japanese "virgin" girls to the frontline as "comfort girls"? Those atrocious Armed Forces of Japan could have been considerate of the human rights of the "Japanese girls"? Probably not. The militarist rulers were fearful of injuring the "reproductivity" of the "Japanese girls." They had calculated that making them "comfort girls" would reduce their "reproductivity."

Hence, the idea of bringing "virgins" from the colonies. There probably was the far-reaching scheme of trying to prevent veneral diseases in the short term and to rob the colonial people of their national identies in the long term. Herein lies the clear nature of national discrimination and colonialialism in their act.

Shirking the 'Liquidation' of the Colonial Past

There are many people who ask why "comfort women for the troops" is an issue now 40 some years after the war. But, if this question is reversed, it could mean why has the issue been left unattended for the past 40 some years. I would like to ask these people in reply—what is the meaning of the Japanese community not having asked that question for the past 40 some years?

One of the reasons is probably that Japan has wanted to avoid soul-searching and apologizing for the past colonial rule. Let us take as an example the Korean peninsula from which the largest number of women were made "comfort women."

As you know, the Japan-ROK Basic Treaty and other related agreements were concluded in 1965. Even in the treaty and agreements that took 14 years to conclude from the first preliminary talks in 1951, there were no words of soul-searching, apology, or compensation in them. (For details please see an article by Sushi Takazaki entitled "How Have We Passed the Post-War Days?" in the April 1992 special extra edition of SEKAI.") The Japanese Government slipped out of the liquidation of colonial rule by the bait of "economic cooperation." (For details see an article by Shoji Yamada entitled "Today's Problems of the Japan-ROK Treaty" in the above mentioned monthly.)

In the background for the Japanese Government's avoiding soul-searching, apologizing, and paying compensation, no doubt, is the deep-rooted sense of discrimination and contempt entertained by the Japanese public against the South and North Koreans. The international

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Japan

Watanabe Views Yeltsin 'Commitment' on Islands

OW2708110392 Tokyo KYODO in English 1044 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—Foreign Minister Michio Watanabe on Thursday chided Russian President Boris Yeltsin for suggesting that Japan's assistance to Russia is inferior to that of other countries.

Watanabe, speaking to Japanese reporters before his August 29 to September 4 visit to Russia, also warned that if Russia fails to fulfill a 1956 commitment to return two of four contested islands to Japan, its reputation for "breaking promises" will continue discouraging Japanese investment in that country.

Yeltsin last Friday criticized Japan's level of financial aid, saying that among major Western countries extending Russia assistance, "unfortunately, Japan is the least helpful of all, we are not concealing this."

Watanabe protested, "What does he mean Japan is not doing its fair share?"

He recited various commitments of humanitarian assistance and financial credits that Japan has made since 1990, first to the Soviet Union and then to Russia, as well as contributions for a ruble stabilization fund and a center for former nuclear experts.

"As I told Yeltsin's chief of staff (Yuriy Petrov) yesterday, how are we to implement our pledges when there's often no entity in place on the Russian side with which to make a contract, or there are changes in contractual partners?" he said.

Watanabe said he made the comment when Petrov said that Yeltsin had merely meant to say that compared with Western countries like Germany, Japan's promised aid has not actually reached Russia.

"I may have sounded harsh, but it's important for them to understand that the fault does not lie with Japan," he said.

Watanabe blasted comparisons with Germany, noting that unlike Japan, Germany attacked the Soviet Union during World War II.

He said Germany is now extending Russia considerable aid in the context of Moscow's having assented to the unification of West and East Germany.

"The circumstances are totally different," he said. "We didn't attack them, they attacked us, taking 600,000 Japanese prisoners, about 50,000 of whom died, and illegally occupying our four northern islands."

Nevertheless, Watanabe said, Japan has been extending assistance to Russia over the objections of some of Japanese. The foreign minister said he told Petrov he hoped "that there would be no misunderstanding on this point."

Watanabe said that he also pointed out to Petrov that the Soviet Union attacked Japan in 1945 in violation of a bilateral neutrality treaty, and seized Japanese territory recognized as such by Moscow under a 1855 Russo-Japanese treaty.

"They are illegally occupying these islands, so I want to strongly stress to them that sovereignty over them rests with Japan," he said.

Watanabe said that if Yeltsin does not confirm the validity of a pledge in a 1956 bilateral joint declaration to return two of the four islands to Japan, "it would mean they might feel free to scrap any future Russo-Japanese treaty whenever it suits them."

He said it would be unrealistic to expect Japan to promote investment and economic cooperation with Russia if there remains such disregard for the sanctity of agreements, whether they be between governments or the private sector.

Agenda for Yeltsin-Miyazawa Talks Previewed

OW2708023392 Tokyo KYODO in English 0150 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—Prime Minister Kiichi Miyazawa and Russian President Boris Yeltsin will hold three rounds of summit talks during Yeltsin's first state visit to Japan from September 13 to 16, government sources said Thursday.

During working-level consultations to arrange Yeltsin's itinerary in Japan, the two countries have agreed that the talks will be held in the morning and the afternoon of September 14 and in the morning of September 15, the sources said.

The first round of talks will center on international issues while the second one is expected to focus on a bilateral territorial dispute over four islands off Hokkaido—Kunashiri, Etorofu, Shikotan, and the Habomai group of islets.

Japan has made the return of the four islands seized by the Soviet Union at the end of World War II a precondition for conclusion of a peace treaty and extending substantial economic aid to Russia.

In the third round of talks, Miyazawa and Yeltsin will discuss ways of expanding relations between the two countries, including peaceful use of outer space, the sources said.

After the summit meetings, the two leaders will make a joint statement and sign an accord on outer space and other areas of cooperation, the sources said.

The Russian president will meet Emperor Akihito and Empress Michiko in the Imperial Palace on September 14, one day after he arrives in Tokyo.

On September 14, Yeltsin will also attend a luncheon hosted by Japanese business leaders, while the emperor and empress will give a dinner party in his honor later in the day, the sources said.

On September 15, the Russian president is scheduled to watch a sumo wrestling tournament, after holding a press conference, the sources said.

After leaving Tokyo, Yeltsin will visit the Kenroku Garden in Kanazawa, Ishikawa Prefecture, on the Sea of Japan coast on September 16, where he will attend an outdoor tea ceremony, the sources said.

He will leave for South Korea later in the day.

Tanaka Leaves for Beijing for Five-Day Visit

OW2708042792 Tokyo KYODO in English 0401 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—Former Prime Minister Kakuei Tanaka, who was convicted of bribery charges in the 1970s Lockheed payoff scandal, left Tokyo Thursday for Beijing for a five-day visit.

It is the first overseas trip for Tanaka, once called a kingmaker in the Japanese political arena, since he suffered a stroke in 1985.

With the help of a cane in his left hand, Tanaka boarded a chartered Japan Airlines plane.

The Chinese Government has repeatedly asked Tanaka to visit Beijing to celebrate the 20th anniversary of diplomatic normalization between China and Japan.

Tanaka, accompanied by seven of his family members, including his wife and former Defense Agency head Ganri Yamashita, is scheduled to hold talks with China's Communist Party chief Jiang Zemin and other government leaders.

The 74-year-old former prime minister will also meet with senior Chinese officials, who were in charge of normalization talks with Japan in 1972, Tanaka's aides said.

In Beijing, Chinese sources said the same day that Tanaka will meet with Vice President Wang Zhen, a senior conservative politician who late last year underwent throat surgery. The meeting will be Wang's first public appearance since his operation, they said.

Tanaka, as prime minister, was credited with restoring diplomatic ties with China when he visited Beijing in September 1972, and has been highly esteemed in the country since.

In 1976, the Lockheed payoff scandal was brought to life, which culminated in the arrest of Tanaka.

In October 1983, the Tokyo district court sentenced Tanaka to four years in prison and fined him 500 million yen for taking the same amount in bribes from Marubeni Corp., a giant trading firm.

The trial is now pending before the Supreme Court. Tanaka retired from the political world in October 1989.

PRC Vice Premier Wu Xueqian To Visit in Sep

OW2708130092 Tokyo KYODO in English 1251 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—Chinese Vice Premier Wu Xueqian will visit Japan from September 21 to 27 and attend a joint conference of the Chinese Communist Party and the Social Democratic Party, officials of the Japanese opposition party said Thursday.

Wu will head a delegation of about 30 communist party executives of major Chinese cities, who are coming to celebrate the 20th anniversary of the normalization of diplomatic relations between Japan and China, the officials said.

Tanabe: DPRK Tipped Off on Sino-ROK Ties

OW2708055592 Tokyo KYODO in English 0540 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—Chinese Vice Premier Wu Xueqian visited Pyongyang in April and briefed North Korean leaders on rapprochement between China and South Korea, Japan's opposition Social Democratic Party [SPD] Chairman Makoto Tanabe said Thursday.

Tanabe made the revelation at the party's central executives meeting after returning from talks with Chinese leaders in Beijing earlier this week.

He said Wu went to Pyongyang to attend the 80th birthday of North Korean leader Kim Il-song.

Tanabe met with Communist Party chief Jiang Zemin and Wu when he visited Beijing Monday and Tuesday as honorary head of the SDP delegation to mark the 20th anniversary of Japan-China normalized relations.

On Monday, South Korea and China, a longtime ally of North Korea, established full diplomatic relations.

Tanabe said he thinks the North Korean leadership was less surprised this time as compared with 1990 when the former Soviet Union and South Korea set up diplomatic ties.

Tokyo To Create Fund for Former 'Comfort Women'

OW2708080092 Tokyo KYODO in English 0654 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—Japan is planning to establish a welfare fund for women in South Korea who were forced to provide sexual services to Japanese soldiers during World War II, government sources said Thursday.

The size of the fund is to be discussed in informal meetings with South Korea, the sources said. The fund will be administered by the South Korean Government or a private welfare organization, such as the Red Cross Society.

Japan pledged to take measures to redress the suffering of the estimated 80,000 to 200,000 women, mostly Koreans, who were forced to work in frontline brothels during the war. However, it has rejected demands for compensation.

Japan maintains that dispensation of reparations was settled by a 1965 treaty establishing diplomatic ties between Tokyo and Seoul. The entire Korean peninsula was under Japanese colonial rule from 1910 to 1945. Neither government made mention of the "comfort women" issue at the time.

The issue received wide public interest last December when three former South Korean "comfort women" filed suit against the Japanese Government with the Tokyo District Court seeking apologies and compensation from the Japanese Government.

When Prime Minister Kiichi Miyazawa visited Seoul in January, he acknowledged wartime authorities were involved in the abuse and apologized for the actions taken against the women.

Akashi Urges SDF Dispatch to Cambodia in Oct

OW2508143692 Tokyo KYODO in English 1349 GMT 25 Aug 92

[Text] Tokyo, Aug. 25 KYODO—The head of the United Nations peacekeeping mission in Cambodia urged Defense Agency officials on Tuesday [25 August] to dispatch Self-Defense Forces (SDF) to the war-ravaged nation by late October, Defense Agency sources said.

Yasushi Akashi, head of the U.N. Transitional Authority in Cambodia (UNTAC), expressed his hope that Tokyo finishes the SDF deployment in Cambodia by the end of October "at the latest," the sources said.

Akashi, who arrived in Japan last Thursday on a weeklong visit, also said he has no intention of accepting peacekeepers from any nations after November, they said.

He made the remarks in a meeting with Sohei Miyashita, director-general of the Defense Agency, and other agency officials.

Miyashita told Akashi that Japan will send a preliminary team to Cambodia around the end of September and that it plans to send the main peacekeeping corps during October, they said.

Akashi said it is natural for Japan to be cautious about its participation in the peacekeeping operations because it is the first time.

He also reportedly told Miyashita that a general election will be held in May 1993 and that UNTAC plans to withdraw from Cambodia by August that year when a new administration is established, the source said.

Meanwhile, Fumio Okabe, chief of staff of Maritime Self-Defense Force, told a press conference that up to three transport ships and one supply ship are scheduled to be dispatched to Cambodia for Japan's participation in the peacekeeping activities.

In a related move, Foreign Ministry sources said the ministry will send its director general of the Asian Affairs Bureau to attend a meeting to persuade the Khmer Rouge to rejoin the Cambodian peace process.

The ministry will send Tadashi Ikeda to the meeting, scheduled to be held on Thursday in Bangkok, which will be attended by Japan, Thailand, and the Khmer Rouge.

China, Japan, and Thailand have been working this month to persuade the hard-line Khmer Rouge to rejoin the peace process.

On Monday, Thai Foreign Minister Asa Sarasin [said] the Khmer Rouge is seriously considering a Japanese proposal that would establish a new organization to strengthen the national reconciliation body, the Supreme National Council (SNC).

Asa said the guerrilla group is likely to respond to the proposal in Thursday's meeting.

In a meeting with Khmer Rouge leader Khieu Samphan last weekend, Ikeda proposed a mediation plan of setting up an administrative advisory committee under the SNC in a bid to urge the faction to agree to disarmament and demobilization of its troops.

Khieu Samphan, however, avoided giving a direct answer to the plan, saying he will inform his faction of the plan and give it serious consideration.

Since June, the Khmer Rouge has defied disarmament and demobilization phases of Cambodia's peace accord reached in October.

Kanemaru Resigns as LDP Vice President

OW2708092292 Tokyo NHK General Television Network in Japanese 0642 GMT 27 Aug 92

[News conference by Shin Kanemaru, vice president of the Liberal Democratic Party, LDP, with unidentified reporters at LDP headquarters in Tokyo—live]

[Text] [Kanemaru] I am so sorry to have to call this news conference. It is in relation to newspapers and weekly magazine reports—even though I do not read weekly magazines people have informed me—regarding the Sagawa Kyubin incident. I think there was a point at which I was rather improper. I received jinchu-mimai [visiting frontline troops to comfort and encourage them, meaning the secret supply of election funds]. To take responsibility for this matter, I have decided to resign from the LDP vice presidential position as well as from chairmanship of Keisei-kai [LDP's largest faction founded by former Prime Minister Takeshita].

I do not want other people to think about taking action just because I resign as vice president of the party. I once served as Diet Affairs Committee chairman and also as

Diet Steering Committee chairman. I know the Diet very well. It is only natural that I should make this decision.

In order to enable you to take notes, I would like to have Mr. Sato, secretary general [of the Takeshita faction], read a statement I prepared.

[Sato] I am General Secretary Sato. I would like to read the statement:

This is in relation to reports on the Tokyo Sagawa Kyubin case—reports that former company President Watanabe provided me with political donations. The fact is that before the 1990 general election, Mr. Watanabe offered to make a donation. I turned down the offer at that time, but several weeks later, a secretary of mine reported to me that Mr. Watanabe had delivered 500 million yen to the office.

I recalled that I had turned down the offer, but, the amount being so large, I recognized it as jinchu-mimai for our colleagues. I take this opportunity to extend my apologies for causing a great inconvenience to the LDP which is now pushing for political reforms. I have just tendered a letter of resignation as vice president of the party.

I also intend to resign as chairman of the Keisei-kai. This donation is said to have been a political fund, which goes against political ethics. But there is no change in my wish to thank my friends for the kindness they have shown me.

The Miyazawa government is making its best efforts to carry out political reforms. I am aware that my personal matter has cost the government many points. But there will be no change in my position; I will continue to support the government as a member of the Diet.

I sincerely hope that by taking this case of impropriety on my part as a turning point, political reform will soon be implemented.

This is the end of my statement.

[Kanemaru] I will take questions if there are any. But, I don't think I should comment on matters which the police are investigating. I will answer questions on other matters.

[Reporter] Why have you decided to resign not only as president of the party but also as chairman of the Keisei-kai?

[Kanemaru] I have made the decision as a politician.

[Reporter] Have you talked personally with Prime Minister Miyazawa about your actions?

[Kanemaru] There was a phone call from him yesterday. I don't know how he interpreted the incident, but I told him I felt sorry that I had caused great trouble. I told him that I gave careful consideration to the matter all day by myself at home. I guess this has to do with my personality, but I think I should take responsibility. I hope you will understand that is how I arrived at the decision I have just announced.

SDP Chief Makoto Tanabe Comments

OW2708102792 Tokyo KYODO in English 1004 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—The chairman of Japan's largest opposition party, the Social Democratic Party (SDP), said Thursday it was natural that influential politician Shin Kanemaru announced his resignation earlier in the day over his involvement with scandal-ridden Tokyo Sagawa Kyubin Co.

Makoto Tanabe said at a press conference he thinks it is natural that Kanemaru step down as vice president of the Liberal Democratic Party (LDP) if he actually received donations from the defunct Tokyo Sagawa Kyubin.

Tanabe said Kanemaru's decision to resign was "very fast," but added that the resignation will deal a serious blow to the LDP and the administration of Prime Minister Kiichi Miyazawa.

Kanemaru, a 77-year-old LDP powerbroker, said in a hastily arranged press conference he will resign to take responsibility for receiving 500 million yen as a gift from Tokyo Sagawa, which is at the center of a huge loans scandal.

Kanemaru also said he is stepping down as head of the LDP's largest faction, founded by former Prime Minister Noboru Takeshita.

Former Tokyo Sagawa President Hiroyasu Watanabe has reportedly said he gave about 2 billion yen to some 10 politicians, including Kanemaru, informed sources said late last week.

Watanabe said he gave 500 million yen in cash to one of Kanemaru's aides, investigative sources said.

Tanabe called for carrying out a thorough investigation of the scandal involving the trucking firm.

Finance Minister Hata Reacts

OW2708110192 Tokyo KYODO in English 1054 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—Finance Minister Tsutomu Hata said Thursday he was shocked by Liberal Democratic Party (LDP) Vice President Shin Kanemaru's decision to resign.

Kanemaru, the chief LDP powerbroker, said earlier Thursday he is resigning from his post, after admitting he had received 500 million yen as a gift from the scandal-ridden and now defunct Tokyo Sagawa Kyubin Co.

Hata said he believes Kanemaru decided to resign in order to minimize political damage to the government of Prime Minister Kiichi Miyazawa.

A top Finance Ministry official, speaking on condition of anonymity, said Kanemaru's resignation could have serious effects on Japanese politics but would not affect fiscal and economic management.

The official declined to disclose the scale of the economic stimulus package to be announced by the government Friday, saying details are still being worked out.

The official ruled out the possibility of the government issuing deficit-covering bonds, saying such bond issues, once allowed, would be impossible to control.

Business Leaders on Resignation

OW2708121892 Tokyo KYODO in English 1205 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—Japanese business leaders said Thursday it was natural that Liberal Democratic Party (LDP) Vice President Shin Kanemaru had decided to resign for accepting a payoff from the scandal-ridden and now defunct Tokyo Sagawa Kyubin Co.

They also expressed hope for an early implementation of political reforms to end money-tainted politics.

Takeshi Nagano, president of the Federation of Employers Associations (Nikkiren), said Kanemaru's resignation should not stall political activities at a time when Japan faces urgent tasks, such as the compilation of pump-priming measures and promotion of political reforms.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), expressed hope that political reforms will be implemented as soon as possible.

Nagano said it was inevitable that Kanemaru resign, noting the LDP is advocating disclosure of more information about political funds.

Political Analysts Comment

OW2708125392 Tokyo KYODO in English 1241 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—The Liberal Democratic Party's (LDP) chief power broker, Shin Kanemaru, vowed Thursday to resign as the party's vice president after admitting he received an undeclared 500 million yen from the scandal-ridden Tokyo Sagawa Kyubin Co.

His resignation will deal a heavy blow to Prime Minister Kiichi Miyazawa, many political analysts said.

Kanemaru, who exercised influence as head of the LDP's largest faction, founded by former Prime Minister Noboru Takeshita, also said he would relinquish that post.

In a hastily convened news conference, Kanemaru said he was leaving his positions to assume responsibility for accepting 500 million yen, which he described as a goodwill gift from his friend Hiroyasu Watanabe, former president of the now defunct trucking company.

An aide to Kanemaru had previously denied that Kanemaru had received the money.

Sadao Yamahana, secretary general of the largest opposition group, the Social Democratic Party, demanded that Kanemaru resign as a House of Representatives member.

Kanemaru is among about 10 parliament members believed to have received about 2.15 billion yen in contributions from Watanabe. Prosecutors are believed to be investigating possible violations of the political fund law.

Miyazawa, the LDP president, telephoned Kanemaru to urge him to stay on as vice president, chief cabinet secretary Koichi Kato said. Kato called Kanemaru a "mainstay of the Miyazawa administration."

LDP Secretary General Tamisuke Watanuki and LDP Policy Affairs Research Council Yoshiro Mori visited Kanemaru to ask him to change his decision. Mori told reporters that Kanemaru's decision was firm.

The Takeshita faction agreed in an emergency executive meeting to urge Kanemaru to change his mind and press him to continue his post as head of the faction, faction sources said.

Kanemaru, who has served as LDP vice president since January, when Miyazawa asked him to take the post, said at the news conference that he would continue to support the premier.

As head of the LDP's biggest faction, Kanemaru, dubbed a kingmaker, was instrumental in bringing down former Prime Minister Toshiki Kaifu and pushing Miyazawa to power last year, political analysts said.

Miyazawa relied heavily on Kanemaru's political clout and support in running both party and government.

Kanemaru's support helped Miyazawa's cabinet win Diet approval in June for the UN peacekeeping legislation, which paves the way for dispatching Self-Defense Forces personnel to join United Nations peacekeeping missions overseas, analysts said.

Kanemaru held the news conference after media reports surfaced last week alleging he had acvepted the Tokyo Sagawa money.

At the 10-minute [as received] news conference, a faction aide read a statement saying Kanemaru's office accepted the money from Watanabe before the February 1990 general election for the House of Representatives, not before the July 1989 House of Councillor's election as had been reported in the media.

Kanemaru once refused the 500 million yen payment, but a secretary later reported having accepted it, the statement said.

Kanemaru said at the news conference he is apologizing to the ruling party which he noted is promoting political reform, and said the donation violated the political fund law and political ethics.

The political fund law requires politicians to report their political donations. The law bans an individual politician's receipt of donations of more than 1.5 million yen annually from any person but it allows larger donations by political organizations.

Former Tokyo Sagawa executives are suspected of having given more than 500 billion yen in loans and loan guarantees to an unknown number of companies and individuals.

Tokyo Sagawa Kyubin and several other regional Sagawa Kyubin companies merged earlier this year to form Sagawa Kyubin Co., the third largest trucking company in Japan.

Prosecutors indicted Watanabe, Tokyo Sagawa Kyubin's former president, on charges of aggravated breach of trust in March for causing major financial damage to the company.

In addition to acting as a power broker, Kanemaru, 77, also is credited with facilitating a breakthrough in relations with North Korea by traveling to Pyongyang in the fall of 1990 for talks with North Korean Leader Kim Il-song.

Negotiations on normalizing relations with North Korea were launched in January the following year.

In June, Kanemaru traveled to Washington where he won support for Japan's territorial dispute with Russia from U.S. President George Bush.

Earlier this year Kanemaru was shot at [during a] political rally by a member of a rightwing group.

Rally Protests Okinawa Transmitter Project

OW2708063492 Naha OKINAWA TIMES in Japanese 27 Aug 92 Morning Edition p 25

[Text] Motobu—The Maritime Self-Defense Force plans to build a transmitting station for the Anti-Submarine Warfare Operation Center (ASWOC) at the Toyohara ward in Motobu, and local residents are persistently engaged in opposing this project. Regarding this, the Northern Regional Council of Labor Unions [NRCLU] (with Keinsei Oshiro as chairman) held a rally to support the local residents' efforts at the Toyohara ward on the afternoon of 26 August. Among about 600 people who attended the rally were members of the NRCLU and of other member unions of the Okinawa Prefectural Council of Labor Unions, as well as residents of the Toyohara and neighboring wards, including both the young and old. While shouting such slogans as "We Oppose P3C Base Project," and "We Oppose the Abolition of Country Roads," the participants expressed their indignation at the base construction project.

Since the Naha Defense Facilities Administration Bureau started on-the-spot surveying work at Toyohara ward on 29 July, local residents have been engaged in surveillance for nearly one month. And they have been greatly encouraged by the growing support they have received.

At the rally held in front of the struggle cottage, Chairman Oshiro stated in his greeting remarks: "Despite opposition from local residents, the central government intends to carry out this project by force. Let us unite to carry forward to the end our struggle to prevent the construction of the base."

Toyohara Ward Chief Zenho Teruya stated concerning their strong aims: "We cannot understand why Motobu Town has decided to invite the state to build a base in the town despite the fact that there is a national park in the town and that it has been designated as a resort area. I hope that all prefectural residents will realize the fact that a new military base is now being established. We will carry on our struggle until the project is abolished." In this way, he called on prefectural residents to support their struggle.

Kosuke Uehara, member of the House of Representatives, also rushed to the rally, and strongly denounced the government. He said: "Now that the world is moving toward disarmament, we should never allow the government to build a military base on this small island of Okinawa. We should not allow base construction because it indicates that priority has been given to pursuing a national policy." Thus, he strongly criticized the Motobu town authorities for shifting their stance from opposing the project to that of inviting the state to build the base here. Representatives from other organizations also expressed their determinations to join in carrying on to the end the struggle to prevent the project.

The rally adopted a resolution on "opposing the project and carrying on the struggle to stop survey work" and on "calling on all laborers and residents in the prefecture to stand up and join in the struggle." While shouting such slogans as ""We Oppose the P3C Base Project," and "We Oppose the Abolition of Country Roads," to drum up their opposition, the participants gave a demonstration march at the site of the former Motobu auxiliary airfield for the U.S. Forces, where the transmitting station is expected to be built.

Public Funds To Be Used for Land Purchases

OW2708024592 Tokyo NHK General Television Network in Japanese 1000 GMT 26 Aug 92

[From the "NHK News" program]

[Text] In connection with the establishment of an institution for the purchase of real estate—the centerpiece of the economic stimulation package to be announced by the government on 28 August—the government has been considering a plan to have private financial institutions establish this institution while appropriating public funds such as treasury loans and investments for the aforementioned institution to purchase land. The government will consult with the Bank of Japan [BOJ] and major banking institutions concerning its plan.

The BOJ and major private banks, including Mitsubishi Bank, Ltd., have been studying measures to establish a land buying institution to rectify the current situation, in which real estate held by private financial institutions as collateral for bad loans is hindering the recovery of the economy. The government plans to have private financial institutions establish the institution this autumn as a corporation. Concerning one of the focal issues—securing a financial source for the new institution to purchase land—the government has been considering using BOJ loans and low-interest funds, such as treasury loans and investments provided by government-affiliated financial institutions, in addition to loans provided by private financial institutions. The government is to consult with the Finance Ministry concerning this plan.

The government decided on the appropriation of public funds for the institution to buy land because it concluded it was necessary to ease as much as possible the burdens of financial institutions. The strength of these financial institutions has deteriorated due to huge bad loans used for land purchases, the cost of which was one to two trillion yen.

'Poor' Business Confidence Spreading Nationwide

OW2708131992 Tokyo KYODO in English 1306 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—Poor business confidence has spread into outlying areas from major cities, according to a survey released Thursday by the Ministry of International Trade and Industry (MITI).

At the day's plenary meeting, the ministry's regional bureau heads from nine regions reported severe business conditions based on the August 20 survey of about 480 small and medium-sized companies and 480 major companies nationwide, ministry officials said.

The meeting, attended by MITI Minister Kozo Watanabe and Vice Minister Yuji Tanahashi, was aimed at hearing fresh voices from each region for a package of pump-priming measures the government will adopt Friday to prop up the sluggish economy, the officials said.

They quoted Watanabe as saying at the meeting, "the pump-priming package should be comprehensive and effective."

The survey showed that uncertainty about the economic outlook has spread all over the nation, they said.

Some regional bureau heads voiced concern that the economy might get stuck in a vicious spiral unless significant measures are taken to give it buoyancy soon, they said.

According to the survey, 86.4 percent of the polled companies said their business conditions were weak, compared with 78.5 percent in the last survey conducted in May.

Asked about the outlook for the next six months, 28.3 percent expected the conditions to worsen, while 64.7 percent replied they are uncertain, the survey said.

In a multichoice section of the poll, 75.2 percent of the respondents said that the among the problems affecting business was declining domestic demand, 64.1 percent cited lagging business sentiment, and 62.8 percent said the sluggish stock market was hurting business.

Many companies predicted the inventory adjustment may take much longer, with more than 50 percent expecting inventory levels will hit reasonable points in 1993, the survey said.

Nearly a half of the surveyed companies expected an increase in production after the April-June period in 1993.

Almost 50 percent said their labor shortage problems had eased and more than 50 percent predicted it will ease further in the future, the survey said.

MITI To Seek Record Amount for Research

OW2708080892 Tokyo KYODO in English 0723 GMT 27 Aug 92

[Text] Tokyo, Aug. 27 KYODO—The Ministry of International Trade and Industry (MITI) will seek a record high amount for research and development from the fiscal 1993 budget, ministry officials said Thursday.

The ministry told the Industrial Technology Council it would ask for 301.3 billion yen for research and development, up 16.2 percent from this year's initial budget, to strengthen Japan's research and development structure, the officials said.

Of the request, they said MITI will seek 58.6 billion yen for the year starting next April for the advancement of science and technology, up 4.3 percent from the fiscal 1992 initial budget.

The ministry also plans to set guidelines for more systematic and effective research and development of industrial science and technology by the end of this year, the officials said.

The ministry expects the guidelines may also help orient the private sector toward fundamental, original research and development, they said.

MITI also intends to draw up a five-year plan to renovate its research facilities, most of which were constructed before 1975 and are becoming decrepit, they said.

For example, they said, a research institute in Tsukuba, Ibaraki Prefecture, had state-of-the-art facilities and equipment when built 14 years ago but they are becoming outdated.

The officials said MITI is also stressing for fiscal 1993 measures tentatively called a "new Sunshine Program" to develop technology for energy conservation and environmental protection.

The program will integrate the current "Sunshine Program" on new energy technology, the "Moonlight Program" on energy-saving technology, and research and development projects to protect the global environment, they said.

The ministry is also considering increasing efforts to develop technologies to improve quality of life, such as developing next-century housing, medical and welfare equipment, and facilities for the aged, the officials said.

The Technology Council agreed to set up panels to study the development of energy and environmental technology and to shape policies on welfare equipment and technology, the MITI officials said.

North Korea

South 'Provocations' In, Near DMZ Condemned

SK2708012292 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 26 Aug 92

[Text] While the aggressive Focus Lens 92 joint military exercise is being conducted all over South Korea, at 1200 on 26 August the puppets committed a grave military provocation by openly bringing an armed helicopter into the Demilitarized Zone [DMZ] south of Osongsan, Kangwon Province in broad daylight.

At 0950 on the same day the armed rascals of the South Korean puppet army installed a 90-mm recoilless gun and a 12.7-mm large-caliber machine gun at the position near the puppet army guard post about 1,000 meters south of Military Demarcation Line [MDL] marker No. 0415 in the central front, taking a position for shooting at our side.

The armed rascals of the puppet army also held a position in the DMZ 900 meters south of MDL marker No. 0735 in the central front. At 1315 that day, they installed a 12.7-mm large-caliber machine gun and aimed at the guardpost on our side, thus gravely threatening the security of the civil police.

At 0955 on 24 August, the South Korean puppets committed a military provocation by bringing 150 armed men and three 60-mm guns near the point 600 meters south of Kkachilbong in the DMZ in the eastern front and taking a shooting position at our civil police guardpost.

On some 40 occasions during August, the South Korean puppets committed one grave provocation after another by bringing various heavy arms—about 50 recoilless guns, 60-mm guns, and 12.7-mm large caliber machine guns—into the DMZ, installing them in positions, and taking positions for shooting at our side.

The reckless military provocations that the U.S. imperialists openly commit—inspiring a blood-thirsty war atmosphere all over South Korea, conducting the aggressive Focus Lens-92 joint military exercise with the puppets against the northern half of the Republic, and bringing vast numbers of troops and modern equipment into South Korea from their overseas bases—are intentional provocations aimed at artificially aggravating the situation on the Korean peninsula. The South Korean puppets should immediately remove all of the heavy arms and automatic weapons they have brought into the DMZ illegally and stop the military provocations against us.

If the South Korean puppets aggravate the tensions in this region by continually bringing heavy arms into the DMZ despite our warning, they will be held totally responsible for all of the consequences.

U.S. Fleet Flagship Joins 'Focus Lens' Exercise

SK2708052692 Pyongyang KCNA in English 0451 GMT 27 Aug 92

[Text] Pyongyang, August 27 (KCNA)—"Blue Ridge," the flagship of the U.S. 7th Fleet, has joined in the provocative "Focus Lens" war exercises, according to a report from Seoul.

The report says the flagship has entered into the operation in the sea off Chinhae, South Korea.

The "Blue Ridge" had been well to the fore in the "Team Spirit" war game each time.

The flagship's entry into the current exercises proves that the announcement of the United States and the South Korean authorities that the "Focus Lens" joint military exercises are no more than a "training at the commanding office" is a sheer humbug and these exercises are the "Team Spirit" manoeuvres under changed signboard.

The flagship participated in the operations of the Gulf war for many days as a flagship of the central command of the U.S. Navy.

According to the report, "Blue Ridge" will take part in a U.S.-South Korea joint exercise on the East Sea of Korea from September 1 to 5 after the "Focus Lens" joint exercises.

This is a very dangerous act of casting a chill over the desire of the Korean nation for reunification and deliberately rendering the situation of the Korean peninsula strained.

More on North-South Military Meeting Reported

SK2608134192 Pyongyang Korean Central Broadcasting Network in Korean 1209 GMT 26 Aug 92

[Text] The seventh meeting of the Military Subcommittee of the North-South high-level talks was held in camera in the South side's area of Panmunjom today.

At the end of the meting, our side's chairman gave a news briefing on the meeting. According to him, in its keynote speech, our side noted that although there was some progress in the discussion of an annexed agreement in the contact between the chairmen and in the three rounds of contacts between members, the two sides have not been able to narrow the differences of opinion on many basic problems about nonaggression, even when 1 September, the deadline for the annexed agreement, is only days away, because of the South side's unjust delaying tactics.

Stating that this difference stems not from the working manner or methods of discussion but from the basic stance on nonaggression, our side stressed that the source of this difference is the insincere attitude of the South side, which persists in unfair proposals at the negotiating table and keeps conducting the nuclear commotion and war exercise commotions, pouring cold water on the talks when outside the venue of the talks.

Then, our side clarified our principled stand for bringing about a turning point in the discussion of the annexed agreement. It is, first, that neither side must on any account go back on its word to the nation to produce an annexed agreement on nonaggression; second, that the wrong attempt to distort the annexed agreement on nonaggression should be renounced; third, that no complexity and difficulty must be created in the discussion of the annexed agreement while babbling about practicality and concreteness; and, fourth, that such acts running counter to the talks as the nuclear commotion and the Focus Lens war exercise must be halted without delay.

Our side strongly called on the South side to actively respond to our side's very reasonable drafts of the annexed agreement that were formed in such in a way as to truly contribute to nonaggression and a peaceful reunification, thereby completing the finalization of the annexed agreement at an early date.

However, at today's meeting, the South side presented what is known as a counterproposal in which the basic problems about nonaggression were ignored, revised a few secondary issues at its own convenience, and tried to seek an agreement on them alone, if need be.

After pressing the South side on its unjust behavior, our side strongly urged the South side to form a perfect and clear annexed agreement designed to thoroughly implement nonaggression.

Then our side proposed first of all to come to an agreement on the titles of some chapters on which the two sides had not agreed and also to discuss and reach agreement on the basic paragraphs on nonaggression which we had presented and on the unnecessary paragraphs which the South side is unreasonably pushing.

Through our side's sincere efforts to draw up the supplementary agreement on nonaggression no matter what by 1 September, agreement was reached in principle on the titles of the chapters in today's meeting. However, because of the South side's insincere position, no agreement was reached on the basic paragraphs on nonaggression.

In the course of today's meeting, our side said that it became all the more convinced that the South side has no practical will to sincerely implement the North-South agreement promised before the whole nation. Our side also made it clear that the South side is clinging to delaying tactics inside and outside the conference room and is entirely to blame for the failure to finalize the supplementary agreement on nonaggression before 1 September.

Our side pointed out that the South side was delaying the time by using various methods, including first of all the method of insincerely coming to the conference table with a draft of the supplementary agreement or coming belatedly with an unreasonable draft of the supplementary agreement while talking about the need to hold discussions on the supplementary agreement; the method of violating matters already agreed in the North-South agreement; the method of opposing the paragraphs that must be included in the supplementary agreement on nonaggression without any good reasons; the method of insisting on secondary paragraphs that are actually unnecessary; and the method of creating complications by artificially dividing the paragraphs on which compromise can be reached.

Our side also said that the South side is continuously carrying out nuclear commotions outside the conference venue under the pretext of our nonexistent nuclear development and is strongly carrying out war exercises that oppose the dialogue partner, including the Focus Lens joint military exercise. Our side said that this is carrying out antidialogue and antireunification acts to return the North-South relations to the starting point of confrontation.

In concluding the meeting, our side once again urged the South side not to move toward the road of selling out the nation by having faith in the strength of an outside force but to move toward the road of true patriotism hoped for by the whole nation and demanded to achieve reunification, so that the supplementary agreement on nonaggression which was promised before the nation can be drawn up as soon as possible.

The subcommittee meeting was followed by a discussion on working matters between the chairmen of the two sides. Both sides agreed to hold the eighth meeting the Military Subcommittee on 5 September.

Daily Condemns Japanese Transport of Plutonium

SK2708050692 Pyongyang KCNA in English 0441 GMT 27 Aug 92

["NODONG SINMUN Flails Japan's Sea Transport of Plutonium"—KCNA headline]

[Text] Pyongyang, August 27 (KCNA)—"Akatsuki-Maru," a ship which will play the main part in Japan's "plutonium transport operation," left Yokohama port on August 24, strictly "escorted" by about 20 patrol boats including the "Shikishima," the largest one at the disposal of the Maritime Safety Agency of Japan, to bring in a huge amount of plutonium from Europe.

Japan's plan to introduce plutonium in defiance of the unanimous opposition of the world's peaceloving people is by no means intended for peaceful purposes, but it is a link in the chain of her moves for nuclear arming and for the building of a nuclear power, says NODONG SINMUN in a commentary today.

The news analyst says:

It is nobody's secret that Japan is harbouring a nuclear ambition to turn herself into a political power and a military power commensurate with an economic power. The successive Japanese rulers have raised this demand, and to build a nuclear power has virtually become a policy of Japan at present.

They intend to set about the full-scale production of nuclear weapons on certain pretexts any moment after massively stockpiling nuclear weapon grade materials.

Japan's "plutonium transport operation" is drawing particular attention as it is timed to coincide with the dispatch of the Japanese "Self-defence Forces" overseas.

Although the Japanese authorities describe the operation as oriented toward "peaceful purposes," it is a ruse to conceal their sinister intention.

The conversion of Japan into a nuclear power will bring nothing to her. It creates instead the danger of another nuclear holocaust to Japan.

The Japanese authorities must discard their nuclear ambition. To do so will be good for Japan herself, too.

Daily on Independence, Faith in Socialism

SK2608135292 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 22 Aug 92

[NODONG SINMUN 22 August editorial: "Let Us Endlessly Add Luster to the People's Dignity and Honor Who Have the Strong Spirit of Independence"]

[Text] Our people are revolutionary people with a strong spirit of independence. Today our people have a firm and solid faith in the socialist cause they have chosen and taken forward with their own might. Under the leadership of the party and the leader, our people are fully determined to endlessly fight along the socialist road, relying on their own might. The strong spirit of independence our people have cherished firmly guarantees the invincibility and prospects of the socialism of our own style.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Workers Party of Korean [WPK] Central Committee, has indicated: The whole world admires our people, because with their strong spirit of independence, our people are firmly advancing on the socialist road they have chosen.

Ours is an era of independence. The revolution and construction can be carried out with the country and nation as a unit. Each country's revolution can be carried out under the charge of its party and people. The party and people of each country should have a strong spirit of independence to brilliantly guide their destinies.

The spirit of independence is a high sense of awareness and firm will of our people, who are to guide their destinies through their own might. The people's dignity and honor of our times lie in independently and creatively living and struggling with their strong spirit of independence.

In conformity with the demands of the current times and the reality of our revolution's development, we should firmly arm party members and the working people with the spirit of independence and lead them to vigorously fight along the socialist road based on their own might.

The spirit of independence is a powerful ideological and spiritual source that enables the people to brilliantly guide their destinies through their own might. The popular masses are the masters of the world and main force of history. We should enable them to be strongly prepared politically and ideologically so that they can occupy their positions and play their roles as masters.

The independent ideological consciousness reflects the people's intrinsic demands as an independent social entity. The people's boundless love is to arm themselves with the independent consciousness and to make themselves ideologically aware. The most horrible crime against the people is to paralyze their independent consciousness and to degrade it ideologically.

The popular masses can withstand any harsh wind and storm and direct their destinies with their own might only when they cherish the spirit of independence. This is a lofty truth our revolutionary practice has verified.

Under the great leader Comrade Kim Il-song's wise leadership, our people, who suffered and were oppressed in the past, have become aware of independence. Thus, they have embarked on the road to directing their destinies through their own might and have boldly demonstrated their dignity and greatness.

Because our people strongly armed themselves with the spirit of independence, they could defeat the two powerful imperialist countries, the United States and Japan, and keep the nation's sovereignty and dignity. In addition, they could excellently build even on the ashes the powerful socialist country of independence, self-reliance, and self-defense.

It is the invariable faith our people have cherished deep in their hearts in the practical struggle that when they have a strong spirit of independence, they can become a strong, dignified, and powerful nation holding their destinies in their own hands, emerging from the plight of a small, mistreated, and oppressed nation. We can continuously and highly display the nation's dignity and honor and successfully direct our destinies in the future, too, when we live and fight according to the demands of this faith. For all people to strongly arm themselves with the spirit of independence is an important requirement for successfully building the socialism of our own style.

Ideology is the life of socialist society. It is important for the popular masses to cherish the independent ideology in the struggle to eradicate the outdated social system, but it is more important for them to adhere to the spirit of independence in struggling with their high sense of awareness as masters of the state and society even after the establishment of the socialist system.

Socialism can be ever-victorious only when the popular masses arm themselves with the spirit of independence and unite with each other based on it. If the popular masses, waiting for someone else to do their jobs, fail to carry out the revolution based on their own might, socialism will be destined to undergo vicissitudes.

Socialist construction is successfully conducted in our country today. Under the leadership of the party and the leader, all the people are faithfully discharging their responsibility and playing their roles as masters of the revolution and construction. This is because our people are firmly armed with the spirit of independence.

With their high sense of dignity and pride of carrying out the revolution, our party members and the working people are now devoting all their efforts and wisdom to the rewarding struggle of building socialism. They are also working and living in a revolutionary manner in conformity with the demands of the times.

Through such people's conscious and self-sacrificing struggle, constant miracles and innovations have been made in all fronts of the socialist construction. In so doing, the superiority of the socialism of our own style is highly displayed in all sectors, including politics, the economy, and culture.

The practical experience in our socialist construction shows that there is no more important problem than raising the popular masses' independent consciousness in the revolution and construction. There is nothing we cannot do and there is no fortress we cannot conquer when the popular masses' spirit of independence is strong.

For all people to live and struggle with their spirit of independence is a firm guarantee for thoroughly smashing the imperialists' antisocialist maneuvers and for resolutely safeguarding and defending our socialist cause.

The socialist cause is advancing in our fierce struggle with the imperialists and class enemies. The imperialists are viciously maneuvering to realize their antisocialist strategy at any cost by eliminating the people's faith in socialism by slandering and vilifying socialism. The imperialists' antirevolutionary maneuvers can be successfully smashed only by the popular masses' high sense of political and ideological determination and their resolute struggle.

Even under the exceptionally complicated and acute circumstances in which the imperialists are intensifying their offensive, the socialism of our own style is continuously and vigorously advancing along its road. This is because our people's spirit of independence is strong.

Our people are countering the imperialists' antisocialist maneuvers with a firm resolve to build socialism better with their own firm faith that the socialism of our own style embodying the chuche idea is the best. When we give fuller play to the spirit of independence and better build the popular masses- centered socialism of our own style in this land, we can resolutely check and frustrate the imperialists' antisocialist maneuvers, defend and adhere firmly to the socialism of our own style, have faith in sure victory, and encourage the people struggling for socialism.

Arming the people firmly with the spirit of independence and firmly maintaining independence is the firm principle which our party consistently maintains in leading the revolution and construction. The great leader Comrade Kim Il-song has taken great care to arm our people with the independent revolutionary consciousness ever since he embarked on the road of the revolution. The respected and beloved leader, who has opposed flunkeyism and dogmatism and led the struggle to establish chuche ever since the time of the anti-Japanese revolutionary struggle, ensured that the work of arming the people firmly with the spirit of independence was further intensified as the revolution and construction deepened. This led to the vigorous conduct of ideological indoctrination work to uproot the flunkeyism and dogmatism still held by people in our country. At the same time, we were able to wage a successful struggle to arm the people firmly with the chuche idea, to view and judge every problem from the chuche-oriented position, and to solve problems on our own.

Through the struggle to model all the party membership and the entire society on the chuche idea given by the dear leader Comrade Kim Chong-il, our people were able to grow more strongly to be revolutionary people with the strong spirit of independence. A fundamental change took place in the ideological and spiritual lives of our party members and working people in the process of establishing chuche under the wise leadership of the party and the leader. The main force of our revolution was further strengthened, and continuous upsurges were made in our socialist construction. Our people are now brilliantly pioneering the road of socialism with the firm faith that they are the masters of their fate and that they possess the strength of directing their fate, firmly rallying around the party and the leader and overcoming all sorts of trials on their own.

It is the firm resolve and will of our party to complete the cause of socialism to the end by preparing our people firmly to be revolutionary people with the strong spirit of independence. All party members and working people should wage a continuous loyal struggle on the single road of socialism with invariable faith to direct their own fate, upholding the leadership of the party and the leader.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the WPK Central Committee, has noted: Our party will complete the revolution to the end, defeating all sorts of obstructive maneuvers of the enemy based on our people's high revolutionary spirit.

All party members and working people should, above all, arm themselves firmly with the chuche idea, the revolutionary ideology of our party. The chuche idea is the most scientific and revolutionary outlook on the world and a thorough ideology of independence. The chuche idea comprehensively elucidates the ideological and spiritual ethos which the people engaged in the revolution in our times should have to live and struggle independently and creatively. The true road for adding luster to the socialism of our own style with the strong spirit of independence lies in arming ourselves firmly with the chuche idea and living and struggling as demanded by it.

To arm ourselves firmly with the chuche idea, we should intensify the study of the great leader Comrade Kim Il-song's works and the party's documents. The respected and beloved leader's works and the party's documents are the library of the chuche idea. The great leader's works and the party's documents comprehensively elucidate the philosophical principles of the chuche idea and all the principled problems arising in embodying the chuche idea. We should deeply learn the originality and justness of the chuche idea and its role in prompting reforms by further intensifying the study of the classic documents published recently by the dear leader Comrade Kim Chong-il, such as "The Popular Masses-Centered Socialism of Our Own Style Is Ever-Victorious," "The Historical Lesson of Socialist Construction," and "Our Party's General Line."

All party members and working people, to wage a vigorous struggle along the road of socialism with the spirit of independence, should thoroughly establish chuche, know our people's proud history of revolution well, and brilliantly inherit it. Chuche is the life of the Korean revolution. The social and historical condition in which our revolution occurred in the past demands that all problems be solved according to our own beliefs and in conformity with our people's will and our country's reality. Our party and people considered and solved all the problems in the revolution and construction on their own, so that they were able to firmly defend the dignity of the nation and the revolutionary principles in any complicated situations and to carry out the socialist cause perfectly.

The socialism we have built is a socialism in which chuche is firmly established in all areas—political, economic, and cultural—and is a popular mass-centered socialism in which everything serves the people. We should clearly know that because we solved all problems with the spirit of independence and from the chuche-oriented position, we were able to victoriously pioneer and advance the Korean revolution and build the wonderful socialism we enjoy today.

The history of building socialism shows that if we establish chuche, we will win victory and glory but that if we employ flunkeyism and dogmatism, the country and the nation will fall and socialism will fail. All party members and working people should firmly maintain our revolution's proud tradition that we have thoroughly established chuche under the most arduous and difficult conditions.

Under the slogan "Let's live in our own way," we should solve all problems in the revolution and construction from the viewpoint of chuche in conformity with our country's situation. In particular, it is important for all sectors and units to highly display the revolutionary spirit of self-reliance and fortitude. We should trust in our own might at all times and at all places and carry out the revolution based on it. We should also solidify our determination and our ideological readiness to overcome any harsh trials with our own might.

With the firm faith that all functionaries and the working people will resolve everything with their own might, even if the higher echelons fail to supply the necessities, although it would be better if the higher echelons did supply them, they should trust only in their own might and learn what is lacking and effectively utilize what is in short supply, mobilizing various reserves and potentials in socialist construction.

All people should also more firmly solidify single-hearted unity among the leader, the party, and the popular masses to vigorously fight along the socialist road with the strong spirit of independence. The firm adherence to the spirit of independence is guaranteed by unity. Today our people are carrying out the revolution in their own way with a sound mind. This is because they are single-heartedly united around the party and the leader.

Unity is the road to national prosperity and progress, but disruption is the road to national ruin. Therefore, socialism's destiny and prospects depend on the unity and cohesion among the leader, the party, and the masses. Today we have realized this single-hearted unity, the most solidified unity and cohesion and wholehearted unity ever to exist in the history of the communist movement. The unity and cohesion of our party and our people, who have firmly united around the great leader and the dear leader Comrade Kim Chong-il, are the most solidified ideological and moral ones based on one center and one ideology.

Adhering to, strengthening, and developing the single-hearted unity among the leader, the party, and the popular masses generation after generation is a decisive guarantee for our people to win final victory in the socialist cause with their strong spirit of independence.

All party members and working people, correctly being aware that adhering to the single-hearted unity generation after generation is a life-or-death matter affecting the destiny of the socialism of our own style, should constantly strengthen the unity of the entire party and the entire society based on the revolutionary ethics and comradeship centering on the party and the leader.

Smashing the imperialists' ideological and cultural infiltration is an important requirement for all people to vigorously advance along the socialist road with their strong spirit of independence. To cherish the spirit of independence, the people should strengthen the struggle against the counterrevolutionary ideologies, including bourgeois ideology, dogmatism, and flunkeyism. These are opposed to the spirit of independence.

Carrying out ideological infiltration prior to an open invasion is the imperialists' hackneyed technique. People can firmly safeguard the socialist cause with their resolute spirit of independence only when they smash the imperialists' maneuvers for causing socialism to disintegrate from within by inspiring people with the wind of bourgeois liberalism.

We should always confront the imperialists' ideological and cultural infiltration with strong class awareness. By thoroughly opposing and rejecting this infiltration, we should enable the party members and the working people with their lofty spirit of independence to resolutely adhere to, inherit, and develop the socialist cause guided by the great leader Comrade Kim Il-song generation after generation.

All party members and working people should be well aware of the reactionary nature and harm of various counterrevolutionary ideologies, including the idea to return to bourgeois liberalism, flunkeyism, and dogmatism, and prevent them from infiltrating us.

Through various forms and methods, party organizations should effectively carry out the ideological indoctrination work to arm party members and the working people with the spirit of independence. There should be no vacuum in the people's ideology and consciousness.

To eliminate the outdated ideological remnants left in socialist society and to prevent the various unsound ideologies from infiltrating from outside, the party organizations should effectively carry out the ideological indoctrination work in conformity with the demands of the developing reality. By so doing, they should arm all party members and working people with the spirit of independence and make them true chuche-type communist revolutionaries.

Our people, cherishing endless loyalty to the party and the leader, are today overflowing with a firm conviction and the burning zeal to vigorously fight along the road of the socialism of our own style. The problem is for party organizations to effectively organize and carry out the ideological indoctrination work in conformity with the level of our people's ideological and spiritual preparedness. Party organizations should not be satisfied with only several lectures and studies for the indoctrination work of arming party members and the working people with the spirit of independence, but should constantly conduct ideological indoctrination through every kind of content, form, and opportunity. Through vivid facts, the party organizations should also make them aware in terms of principle so that the party members and working people can highly display the spirit of independence in all fields of their work and lives.

When all the people, under the wise leadership of the party and the leader, vigorously fight along the socialist road with their strong spirit of independence, the superiority of the socialism of our own style will be displayed more highly and the chuche revolutionary cause will vigorously advance along the single road of victory.

South Korea

North Korea Begins Restricting Chinese Tourists

SK2708061892 Seoul SEOUL SINMUN in Korean 27 Aug 92 p 2

[Report from Beijing-based correspondent Choe Tu-sam]

[Text] North Korea, which has remained silent about the establishment of ROK-PRC diplomatic ties, began to restrict Chinese tourists on 25 August.

According to tourists who arrived in Beijing from the North Korean border area on 26 August, North Korea has suddenly stopped Chinese tourist groups from coming into its area from Tumen and Dandong without reason or explanation.

Tumen and Dandong are the biggest cities in the border area between China and North Korea. Many Korean tourists have also visited these cities recently.

About this step North Korea has taken, a diplomatic source in Beijing said: It is North Korea's clearest sign of its displeasure with the establishment of the ROK-PRC diplomatic relations.

The North Korean NODONG SINMUN on 22 August carried an editorial entitled "Let Us Keep the Korean People's Pride." Other than this, North Korea has not given any reaction to the establishment of ROK-PRC diplomatic relations and has remained silent.

President No To Visit United Nations 20-24 Sep

SK2708034892 Seoul YONHAP in English 0208 GMT 27 Aug 92

[Text] Seoul, Aug. 27 (YONHAP)—South Korean President No Tae-u will attend the 47th United Nations General Assembly on Sept. 20-24, presidential spokesman Kim Hak-chun announced Thursday.

No is to address the assembly and meet major world leaders, including U.S. President George Bush and U.N. Secretary-general Butrus Butrus Ghali, Kim said.

He is also expected to meet leading Americans and leaders of Korean communities in the United States.

Through his U.N. address Sept. 22, No will elaborate on developments around the Korean peninsula and in Northeast Asia, including the establishment of diplomatic ties between Seoul and Beijing and inter-Korean relations.

No will express South Korea's willingness to contribute to international efforts to form a new world order around the world body, Kim said.

With world leaders, No will exchange views on ways to promote friendly relations and enhance cooperative ties in the international community and on the situation in Northeast Asia, he said.

In talks with Bush, No is likely to cover the situation on the Korean peninsula, including North Korea's nuclear development project and Korea-U.S. security cooperative ties, which might be fragile due to presidential elections in both countries this year.

No will deliver a speech at an annual meeting of the Asia Society in New York. He returns home Sept. 25.

No Tae-u Concentrating on Diplomacy, Economy

SK2708054392 Seoul THE KOREA TIMES in English 27 Aug 92 p 2

[By staff reporter Pak Mu-chong]

[Text] With his political influence ebbing away following the transfer of his post as ruling Democratic Liberal Party president to Kim Yong-sam, the party's presidential candidate, President No Tae-u is prepared to devote himself to diplomacy, and possibly to invigorating the economy for the remainder of his term.

For the next three months, No is scheduled to have a record number of summit meetings at home and abroad.

They began yesterday with the arrival of Guatemalan President Serrano, who is making a four-day state visit. No and Serrano will discuss ways of enhancing bilateral cooperative relations between their two countries today with particular concern about the creation of the North American Free Trade Zone involving the United States, Canada and Mexico.

The summit diplomacy begins in earnest the middle of next month when Russian President Boris Yeltsin makes a state visit. He is scheduled to arrive on Sept. 16 for a three-day stay.

No and Yeltsin will sign the "treaty on basic relations" during the Russian President's visit two years after their countries normalized diplomatic ties in 1990.

Shortly after Yeltsin's visit, No will make his third trip to the Untied Nations from Sept. 20 to Sept. 25 to deliver a keynote speech at the General Assembly on Sept. 22.

The President is expected to pledge that South Korea, who joined the world body just a year ago together with North Korea, will positively participate in all U.N. activities.

Returning home from New York City, the President, whose trademark "northern policy" culminated in the normalization of diplomatic ties with China on Aug. 24, is expected to make a historic visit to Beijing for summit talks with Chinese leaders, including President Yang Shangkun.

The date for No's trip has yet to be set through negotiations between the two countries, but government sources said that China has proposed Sept. 27-30. The government is sounding out the Chinese about delaying the visit a few days as No finished his U.N. visit Sept. 25.

In October, No will have a number of state guests from Europe.

They are Belgium King Baudouin and Chancellor Helmut Kohl of Germany. Former Soviet president Mikhail Gorbachev will also visit Seoul during the month. Chancellor Kohl's visit is said to be related to South Korea's lucrative high-speed railway construction project to which German, French and Japanese firms are in fierce competition to win the contract.

Government officials said that there is a possibility that French President Francois Mitterrand may visit Seoul within the year, noting that the French government has expressed an intention of a Mitterrand visit to Seoul.

In November, No will receive a visit of the British Royal Family—Prince Charles and Princess Diana. The royal couple is scheduled to arrive on Nov. 2.

Around the end of the year, or early next year, the President will possibly receive his last state guest—Chinese President Yang Shangkun.

No, Guatemalan President Agree on Cooperation

SK2708035092 Seoul YONHAP in English 0216 GMT 27 Aug 92

[Text] Seoul, Aug. 27 (OANA-YONHAP)—South Korea and Guatemala agreed in a summit Thursday to expand investment and economic cooperation.

Presidents No Tae-u and Jorge Antonio Serrano Elias shared the opinion that deterring North Korean nuclear development was indispensable for peace and stability in Northeast Asia and urged early inter-Korean mutual nuclear inspection, a Korean presidential spokesman said.

Serrano arrived in Seoul on Wednesday for a four-day visit that includes a tour of major South Korean industrial sites.

Serrano asked for Korea's Economic Development Cooperation Fund (EDCF) to support wider and more diversified investment in Guatemala, and No promised to provide assistance within Korea's ability, the spokesman said.

The Guatemalan president promised to pay special attention to Korean residents and businessmen in his country.

The two leaders agreed that the North Korean [as received] Free Trade Agreement should develop in a way that contributes to international free trade, and not become a discriminatory economic bloc.

ROK, Guatemalan Foreign Ministers Meet

SK2708135492 Seoul YONHAP in English 1100 GMT 27 Aug 92

[Text] Seoul, Aug. 27 (YONHAP)—Foreign Minister Yi Sang-ok conferred with visiting Guatemalan Foreign Minister Gonzalo Menendez Thursday and agreed to conclude a set of bilateral agreements at an early date.

The agreements would include those on investment protection, avoidance of double taxation and visas.

A Foreign Ministry official said that at the meeting Minister Yi said he would encourage Korean industries to advance to Guatemala while Minister Menendez said he would try to foster climate for Korean industries' business in his country.

The two ministers also decided to step up their mutual cooperation at the United Nations and other international arenas, the official said.

Iraq 'Requisitioned' More Construction Equipment

SK2708012792 Seoul YONHAP in English 0104 GMT 27 Aug 92

[Text] Seoul, Aug. 27 (YONHAP)—Iraq has requisitioned 13 more pieces of heavy construction equipment belonging to Hyundai Engineering and Construction Co., in addition to those seized in June and on Aug. 3-4, government and industry sources said Thursday.

Iraq took eight dump trucks, four trailers and one payloader on Aug. 6-8, the sources said.

It requisitioned 24 pieces of equipment from Hyundai, including a bulldozer, two excavators, three cranes, six dump trucks, and four trailers, on Aug. 3-4. The total requisitioned in August is 37, plus nine items seized in June.

Iraq has requisitioned a total of 50 pieces of equipment from South Korean companies, including four from Hanyang Construction Co.

The number is likely to grow further as the Iraqi Government has decided to seize 74 pieces of heavy equipment belonging to Samsung Construction Co., though Samsung has signed a contract to sell them to Jordan.

Hanyang has 42 items left in Iraq, and those are also feared to be requisitioned by the Iraqi Government.

President Saddam Husayn issued a decree April 16 to requisition foreign-owned construction machinery for post-Gulf war rehabilitation.

Taiwan's 'Most-Favored Nation' Status Considered

SK2708034292 Seoul YONHAP in English 0117 GMT 27 Aug 92

[Text] Seoul, Aug. 27 (YONHAP)—South Korea is considering maintaining most-favored nation [MFN] status for Taiwan despite the severance of diplomatic relations, government sources said Thursday.

Korea fears a severe blow to its exports to Taiwan if the island country revokes Korea's most-favored nation status and slaps heavy duties on Korean commodities, the sources said.

The government will soon call an inter-ministerial meeting at the Foreign Ministry to discuss continuing MFN treatment for Taiwan.

As agreements between the two governments were nullified by the severance of ties, Seoul is trying to maintain the accords at a private level.

If Taiwan cancels Korea's MFN status and levies general duties on Korean imports, exports to Taiwan will face an average 2.5 percent increase in duties and lose their price competitiveness.

Korea recorded a 100 million-U.S.-dollar trade surplus with Taiwan last year—1.6 billion dollars in exports and 1.5 billion dollars in imports.

During the first half of this year, exports to Taiwan totaled 1.13 billion dollars while imports reached 660 million dollars.

Purchase of Toxic Chemical From North Approved

SK2708002392 Seoul YONHAP in English 0728 GMT 26 Aug 92

[Text] Seoul, Aug. 25 [date as received] (YONHAP)—South Korean purchases of North Korean arsenious acid are to increase sharply this year as the Environment Ministry gave the green light to a plan to buy 1,000 tons of the toxic chemical from Pyongyang Wednesday.

The ministry was asked by the National Unification Board to examine whether Taeseong Industrial Co., a toxic chemical maker, could introduce 1,000 tons of arsenious acid from North Korea.

Arsenious acids are used in purifiers, agricultural chemicals, and fertilizers.

The ministry said in its decision that Taeseong could buy it on condition that it register the acid as toxic under Article 12 of the Harmful Chemical Products Control Law.

Purchases of North Korean arsenious acids rose to 363 tons last year from 100 tons in 1990 and is projected to top 1,000 tons this year with Taeseong's permit.

Since last year, all the South's arsenious acids come from the North, which supplied just 20 percent of the total 510 tons in 1990.

North Korea sells the acids for 445 U.S. dollars a ton, compared South Africa's 600 dollars and China's 695 dollars. The quality was similar, with the purity reaching 95 percent, a Taeseong spokesman said.

Trade Surplus With Former Socialist Countries

SK2708050592 Seoul THE KOREA TIMES in English 27 Aug 92 p 8

[Text] Korea registered $4 million in trade surplus with former socialist nations during the first five months of this year, the Trade-Industry Ministry reported yesterday.

Former socialist nations are China, former Soviet Union, Eastern European countries and Vietnam.

A ministry spokesman said that the trade surplus was derived from a huge trade surplus with Vietnam and decreased deficits with China and the Commonwealth of Independent States.

Korea chalked up a $128 million trade surplus with Vietnam in the January-May period compared to $33 million a year earlier. The deficit with China decreased from $413 million to $141 million and that with CIS from $117 million to $23 million.

The trade surplus with the former socialist nations is expected to increase for the time being as exports growth has outpaced import growth at 45.2 percent and 22.8 percent, respectively, the spokesman said.

The consumer goods-tied loan to the CIS is another factor to boost the trade surplus in the months to come, he said.

Exports to China surged 83.6 percent to $1,485 million during the first five months of this year and those to Vietnam 193.6 percent to $152 million.

Military Secrets Act 'Still' Needs Improvement

SK1908064092 Seoul THE KOREA HERALD in English 19 Aug 92 p 3

[By staff reporter Yi Song-yol]

[Text] The Defense Ministry's draft revision of the Military Secrets Protection Act still leaves much to be desired to meet the growing demands of the people's rights to know about military affairs. When the draft revision was presented Aug. 4, the ministry said that the revision effort was intended "to guarantee effective protection of military secrets and satisfy demands for the right to know."

The ministry said that this intention is shown in Article 12, under which any citizen can request the defense minister to open, present or explain military secrets.

Article 2 makes clear the definition of military secrets, while Article 9 stipulates that military secrets, when they no longer need to be protected as such, should be declassified, the ministry pointed.

Compared with the existing law, the draft revision seems to be an improvement, given such articles.

The existing law is notorious in that it defines military secrets as almost all affairs related to the military, provides stern punishment against those who leak or collect military secrets, and neglects the human rights of those arrested in violation of the law.

Under the existing law, enacted in 1972, military secrets are "what may cause harmful results to national security when disclosed." They include military policy, strategy, military diplomacy, military organization, weapons, transportation and communications, production and supply of military items, and personnel affairs in major military posts.

The law has been condemned for blocking access of news media, not to mention ordinary citizens, to military affairs.

It has also been denounced as an evil law encroaching upon basic rights and blocking fair criticism and supervision of the military.

At present, almost one third of the government budget is spent on defense, but the people do not know how their tax is being used, critics say.

In that sense, the draft revision is not much better than the existing act.

For example, Article 12 of the draft revision allows citizens to request the defense minister to open, provide or explain military secrets, but does not force the defense minister to do so.

So if the defense minister refuses to disclose or explain what is considered to be a military secret, the article is useless.

Article 9 provides the time period for declassification of military secrets, but it does not stipulate that declassified military secrets should be made public.

Pointing out such problems, critics say the existing act that the draft revision is not satisfactory and bolder changes should be made. [sentence as published]

They also point out that Article 13 of the draft revision, which says that "heads of news media should consult with the defense minister before printing a story which is suspected of violating this law," is an "absurd, ridiculous and anachronistic article."

Though ministry officials said that the article does not provide punishment against violation, critics say the article would be used as a means to control news media concerning military affairs reporting.

The officials later said they expected the article would be changed in the course of further deliberation at the National Assembly, but it vividly shows the military's way of thinking about the conflict between the right to know and the need to protect military secrets.

Minister Denies Government Control of Press

SK2208080192 Seoul YONHAP in English 0642 GMT 22 Aug 92

[Text] Pusan, Aug. 22 (YONHAP)—Information Minister Son Chu-hwan said Saturday [22 August] that the press in South Korea had full freedom and allegations of control by the government were an insult to the press.

"I don't believe the press and journalists as a whole would accept allegations of press control," he said in a speech to the Pusan Chamber of Commerce and Industry.

"It's my conviction that freedom of press should be guaranteed to the fullest possible extent," he said, adding that he would continue striving for press freedom and a better quality press.

"This is by no means a time of crisis," he said. "Although some journalists and politicians describe our economy and society as being in the process of collapse, national strength is growing energetically in parallel with the development of democracy."

The speech was titled "Is This a Crisis?"

Son said the economy was in difficulty because of the price "we have to pay in the process of democratization" and because "we are facing the rough waves of opening externally."

Since the turn of the year, however, economic indicators had pointed to the beginning of an economic recovery, he said.

"Prices have begun to regain stability with wholesale price increases being no more than 2.4 percent in the first seven months while exports expanded 9.3 percent in the January-July period over the like period last year," he said.

It was thanks to solid economic growth that the government could succeed in its northern policy, lay a firm groundwork for unification and execute democratization programs, he said.

United People's Party Economic Platform Reported

SK2308081492 Seoul THE KOREA TIMES (SUPPLEMENT) in English 23 Aug 92 p 2

[Text] The United People's Party declares that the nation's political, economic and social state is in total crisis. To overcome these challenges, we have to introduce a clean and capable government, revitalizing the sagging economy and restoring the people's morality. On the threshold of a new century, we have to enhance the people's welfare and consolidate national strength, as a basis for achieving South-North unification.

Proclaiming that the United People's Party is a moderate reformist party based on liberal democracy, we dedicate the following economic platform.

1. We will pursue an economy led by the private sector. We will minimize the government's intervention, adopting the theme of a "small government," leaving the economic operation to a free market play.

2. As far as the nation's domestic credit policy is concerned, we do not agree with the government's contention that the "expansion of money supply will only cause the inflation." There are many cases that refute the government's arguments. The experience of Mexico, in particular, shows that the increased supply of money is not necessarily translated into inflation. In order to relieve the chronic financial illiquidity of our business firms, we will expand the supply of domestic credit at the size appropriate for the magnitude of the national economy, with the view to guiding the interest rates to the level of competitive countries.

3. We will introduce a new regulation, under which fictitious names are not allowed to be used for opening bank accounts. We claim that this financial practice has been misused as a loop-hole for those people who lead the country's underground economy. The new policy in which all the financial accounts must be opened in real names is necessary for

1) preclusion of collusive relationship between the government and private industries for special favors.

2) absorption of the underground economy into the institutional system and

3) improvement of the nation's industrial structure.

4. We will facilitate the practical privatization of banks. These days, the government has no equity positions in the nation's city banks. But the government continues to pull the strings attached to the banks through the illegal exercise of power in nominating bank presidents. It is self-destructive, and against the legal order of a democratic country. Besides, the government continues to manage the loans in knitty-gritty detail, building a tremendous amount of bureaucratic red-tape. We will give free hands to banks in appointing presidents and other board members, and in managing their lending portfolios, correcting the distorted allocation of financial funds.

5. We will level up people's living standard through price stabilization and balanced income distribution through equal employment opportunities for low-income citizens.

6. We will reduce the tax burden of the low-income class by,

1) increasing the size of deductible incomes for workers

2) expanding our efforts to disclose underground unearned incomes for fair taxation and

3) renovating the tax administration system.

At the same time, we oppose the government's abuse of taxation power.

7. While we support the individual's right of private ownership of lands, we will preclude the chances for unearned income, by introducing a refined and strengthened concept of "public ownership of lands" and by implementing a system under which lands must be traded under real names.

8. We will take positive steps to cope with the rapidly changing international trade environment, minimizing trade frictions. We will turn the nation's external deficit into surplus by increasing exports, and upgrading international competitiveness of our products. To do this we pursue:

1) innovative reformation of trade policies through

  a. expansion of trade finance
  b. lower interest rates
  c. free market-based foreign exchange rate
  d. simplification of tariff administration

2) expansion of technological investment

3) training of specialized manpower

4) launching a campaign for people's diligence and frugality.

9. We will make small and medium industries as the backbone of our economy. Start-up procedures will be simplified, while financial support for those firms will further be strengthened.

10. We will expand such social overhead infrastructures as harbor facilities and roads with the government's increased investments, while drawing increased private investments to these projects.

11. We will try to build up a perennial and peaceful labor-management relationship based on the principle of fair sharing of earned income.

12. We will supply inexpensive housing for workers and low income people through:

1) expansion of loans for housing purchases

2) expansion of apartment construction sites utilizing the government-owned lands

3) support of housing redevelopment projects.

13. We will renovate the nation's product distribution channels not only for the nation's upgraded industrial structure but also for healthy competitiveness of the distribution industry itself against international rival counterparts.

14. We will put off such massive projects as high-speed railways, mobile phone system and airports which were inspired by the government's propaganda, until the country's economic capacity reaches the stage capable of absorbing these mammoth and costly projects.

15. We will propose a long-term plan to secure stabilized supply energy, exploring substitute energy and at the same time waging a nation-wide energy savings campaign.

Yi Chong-chan Not To Run for Presidency

SK2708035292 Seoul YONHAP in English 0246 GMT 27 Aug 92

[Text] Seoul, Aug. 27 (YONHAP)—Rep. Yi Chong-chan, who left the ruling Democratic Liberal Party to form a new party, said Thursday his political group would nominate "a third candidate for the people" in the presidential election in December. Yi, who unsuccessfully sought the ruling party's nomination for president, decided to form a party to provide the nation with what he said was an alternative candidate to the old politicians nominated by the existing political parties.

Speaking at a press conference, Yi indicated, however, he would not run for president himself.

"In order to score an overwhelming victory in the presidential election, I will do my utmost for a new national candidate," he said.

He said his organization, named the People's Alliance for New Politics, would hold its inaugural convention on Sept. 3, and by the end of September he hoped to form a new political party through activities of the alliance.

Yi said he had met with Reps. Chong Ho-yong, independent from Taegu, and Han Yong-su, who has recently left the main opposition Democratic Party, to discuss problems involving the nomination of a new national presidential candidate.

"We will continue our dialogue since we could not find any agreement during our initial discussions," he said.

But Yi's plans to embrace Chong into his new political party is expected to be difficult since Chong is opposed to the formation of the People's Alliance for New Politics and the nomination of a presidential candidate, sources said.

Woman To Run for Presidency Declares Candidacy

SK2708041492 Seoul THE KOREA HERALD in English 27 Aug 92 p 2

[Text] Kim Ok-son, a former three-term lawmaker, said yesterday that she would run for the December presidential election as an independent.

Kim, 58, became the fifth person and the first woman to enter the presidential race. The four other competitors are Kim Yong-sam of the ruling Democratic Liberal Party, Kim Tae-chung of the main opposition Democratic Party, Chong Chu-yong of the United People's Party, and Pak Chan-chong of the Party for New Political Reform.

DP Coleader Promises To Readjust Taiwan Ties

SK2708075492 Seoul YONHAP in English 0643 GMT 27 Aug 92

[Text] Seoul, Aug. 27 (YONHAP)—Main opposition Democratic Party [DP] co-leader Yi Ki-taek told a news conference in Taipei Thursday that if his party seized power it would maintain the friendship between South Korea and Taiwan by readjusting their ties, a DP spokesman told YONHAP in a telephone interview.

Upon arrival at Chiang Kaishek airport in Taipei on Wednesday night, Yi told Taiwanese journalists that there was a very good chance that DP candidate Kim Tae-chung would secure victory in the December presidential election.

Yi is scheduled to call on speaker Liu Sungfan to discuss problems caused by the severence of Seoul-Taipei ties and meet with other politicians there.

* Kim Tal-hyon's Visit Inspires Businesses

922C0214A Seoul CHUGAN CHOSON in Korean 2 Aug 92 pp 16-19

[Article by O Tae-chin, CHUGAN CHOSON economic reporter: "Business Groups Waging Leadership Struggle over North Korea Economic Cooperation Programs—Vice Premier Kim Tal-hyon's Seoul Visit Prompts Accelerated Moves, Huge Lead of Daewoo Which Has Developed 'Kim Tal-hyon Line' Creates Tense Atmosphere"]

[Text] The Seoul visit by Kim Tal-hyon, vice premier of the North Korean State Administration and chairman of the External Economy Committee, has generally been viewed favorably as having created a momentum for a breakthrough in economic cooperation with North Korea, which has made little progress in recent months due to the controversial political issues including the nuclear inspection problem. North Korea's abundant high-quality labor and natural resources, and its factories left idle which can be put back to work with some investments to improve their facilities... After long coveting such favorable investment factors, our businesses have now either put in full operations their teams on economic cooperation with the North or are in the process of starting them. The reason: Who wins North Korea investment contract is likely to be a factor in determining future economic domains in a reunified Korea.

The Daewoo Group stood out most prominently during the Kim Tal-hyon visit. To begin with, of the 13 plants the North Korean vice premier toured, five were those of Daewoo-affiliated companies—Daewoo Motor, Daewoo Heavy Industries, Daewoo Telecom, Daewoo Electronics, and Daewoo Shipbuilding. Moreover, hotels used by the visitors while in Seoul and Kyongju were those of Hilton, another Daewoo affiliate. There was also a dinner hosted by Kim U-chung, president of the Daewoo Group.

The concern demonstrated by the government toward Daewoo in connection with the visit gave the impression that business leadership with economic cooperation programs with North Korea has already shifted to Daewoo's Kim U-chung. During his visit to Pyongyang in January this year, acting as an "emissary," he confirmed Kim Tal-hyon's desire to visit Seoul. Besides, he has been vigorously pushing economic cooperation efforts with Pyongyang since early this year.

During his Moscow visit in July, he met with Russian President Yeltsin and Vice Premier Kim Tal-hyon separately, discussing with them plans for a gas pipeline laid across Siberia and the Korean peninsula. It was confirmed that Kim Tal-hyon at his meeting with Kim U-chung signed a plan of such a pipeline from the Yakut gas field being built through North Korea.

Vice Premier Kim Tal-hyon is known to be an enthusiastic "fan" of Kim U-chung. He was the only attendant at a secret session between Kim U-chung and Kim Il-song in January this year. Government sources hint that Kim Tal-hyon and Kim U-chung have since been so close to each other that they frequently met in Russia and China in secret.

Kim Tal-hyon first wished to visit Seoul as a private person at Kim U-chung's invitation. But the request was flatly denied by government officials who feared that it could create confusion concerning the matter of contact point over North Korea economic cooperation programs. Thus, it is known that agreement was reached after negotiations on making it a visit at the government's invitation. Considering the fact that Kim Tal-hyon is not only in charge of North Korea's external economic affairs but also a man of substantial influence as a relative of President Kim Il-song, one may say that Daewoo is in an enormously advantageous position against other business groups.

Riding on the momentum, Daewoo laid further plans: If Kim Tal-hyon's Seoul visit should produce a satisfactory settlement on the Nampo industrial complex plan and other plans which Kim U-chung had taken up during his Pyongyang visit, it will make direct investments in three projects—shirts, fabrics, and satchels—of the nine cooperation projects involved, launching the construction of the complex in September if all goes well and embarking on production in February next year for certain items.

Samsung Co. Promoting Contacts, Out To "Regain Leadership"

To that end, Daewoo reportedly plans to send its first group of some 20 specialists to North Korea for feasibility surveys in three areas—textiles, shoes, and zinc ore development—as soon as it obtains the government's approval in August. Earlier, in February Daewoo had formed a similar team for the Nampo industrial complex project and applied for the government's permit to visit North Korea. The permit was withheld because of the nuclear and other pending political issues, however. Under the plan, the first survey group will be accompanied by working-level officials of shoemaking and zinc ore development companies designated as cooperators.

Daewoo expects that since roads and the electric power supply are in good condition in the Nampo area, the construction of new buildings and the installing of equipment will take no more than three or four months and that it will be able to embark on the first-phase operations of the complex early next year. South Korea entirely depends on imports for spelters it needs, and with that in mind, specialists on zinc ore will conduct their development feasibility survey at the Unpa zinc mine in North Hwanghae Province.

Regarding the remaining six project areas, Daewoo plans to send a second survey group at an early date, which will be formed by its affiliated firms, independently or jointly with other enterprises in the country. Also, Daewoo received in February North Korea's request for technology, equipment and funding assistance to modernize its communications systems, and in March Pyongyang's proposal for passenger car shipments. Besides, Daewoo Co. is planning to set up operations in third countries jointly with North Korea and develop full-scale manufacturing in those overseas plants using North Korean labor.

In the Samsung Group, the group's international team is playing the central role. In this connection, Samsung Co.'s North Korea team is in charge of day-to-day operations. Basically, Samsung is pushing for cooperation with North Korea based on processing deals in apparel industry, and it expects to see some specific results in this area soon. It is studying plans to export apparels produced in North Korea to Japan and Germany and to bring in some into South Korea. Currently, products originating in North Korea cannot be exported from South Korea to countries other than Japan and Germany.

Meanwhile, Samsung has expanded its list of short-term trade commodities and, at the same time, is pushing for cooperation projects in 10 areas, including textiles, home appliances, shoes, and daily necessities. Through intermediaries in Hong Kong and elsewhere, it has been checking levels of products and production management at North Korean factories and, as a result, found their technological standards in textile and dressmaking industries remarkably high.

Samsung purchased $6.2 million-worth of raw materials from North Korea in the first half of this year, including 50,000 tons of anthracite in May. In the same period, it shipped $6.3 million in textile materials and other goods to North Korea. Samsung's plan is to give priority to processing deals on textile products for now and to gradually expand the scale of investment instead of making massive investments on a short-term basis. In its view, North Korean factories that are left idle only require some repair and improvement of facilities to be put back to work and, therefore, there will be no need for large-scale plant-and-equipment investments.

The Samsung side hopes that North Korea channels that are now virtually monopolized by Daewoo will be unified by the government and placed under official management on this occasion. "We have been in contact with the North on a multilateral basis, through channels other than the 'Kim Tal-hyon line' which Daewoo President Kim U-chung has monopolized," say Samsung Co. officials, showing their resolve to regain leadership with North Korea economic cooperation programs.

The Hyundai Group, once the champion of economic cooperation with North Korea, appeared more or less estranged by the government this time as only one of its affiliates—Hyundai Heavy Industries' Ulsan plant—was picked for inclusion in Vice Premier Kim Tal-hyon's tour schedule. Hyundai was in high spirits when Chong Chu-yong, then the group's honorary president, visited North Korea in 1989 and took up with Pyongyang plans for joint development of Mt. Kumgang. Chong's plan to visit North Korea again in 1992 fizzled out as he plunged into politics. Lately relations between Hyundai and the government have worsened, allowing Daewoo to edge its way in and fill up the gap, then wrest away the leadership.

Lucky-Goldstar Seeks Processing Deals, PISCO Hot Coil Venture

Although Hyundai claims that joint venture accords negotiated by Chong Chu-yong during his Pyongyang visit are still effective, they are actually in a state of dormancy as there has been no progress on them in any aspect. Hyundai sources contend that "our plan is for projects centering on heavy industry. Consequently, unlike another group promoting short-term programs, we are pushing for long-term, stage-by-stage cooperation projects." What they mean is that Hyundai is more interested in heavy industry projects such as the construction of a Wonsan Bay rolling stock factory or a shipyard as joint ventures.

The Lucky-Goldstar Group is working for joint production of men's suits through Pando Fashion on a short-term basis. It is also studying plans to participate in investments in basic facilities such as communication networks and railways in the Najin and Sonbong regions. Toward the end of last year it offered North Korea $7,000-worth materials for stuffed toys, and it brought in the sample goods thus made in North Korea. The Group plans to further promote processing deals in the future. Early this year Lucky, Ltd. received, through a Chongnyon-affiliated enterprise, North Korea's proposal for the construction of joint-venture plants for daily necessities such as toothpaste, soap and toothbrushes. It is currently working on plans to carry it out.

Lucky-Goldstar, which was the top trading house in terms of North-South trade record last year, plans to regain the lead once North-South trade gets going on full-scale. To that end, it is, through overseas branches, searching for partnerships for direct trade or direct investment. At the same time, in view of Pyongyang's low foreign exchange holdings, it is also studying a plan to supply $200 million-worth crude oil to North Korea's Sungni Chemical annually, have it refined and shipped to the South.

In the long-term, Lucky-Goldstar is planning to invest in petrochemical facilities and home appliance production, too, as joint ventures. Also, it sees joint explorations of the continental shelf off the western coast and nonferrous metal smelting as potential joint venture items. Separately from these long-term plans, it is also studying plans to branch out into a new area where it has so far no record of purchase from North Korea by developing farm and marine products and expand indirect trade through third-country lines.

Meanwhile, Sunkyong, showing a more or less cautious approach, holds to the position that it will develop its own strategy while watching progress in the government policy. Pohang Iron & Steel Co. [PISCO] plans to ship South Korea-produced hot coil to North Korean iron-steel mills and make finished goods there. As PISCO was to promote the project through Daewoo, it appeared to have made significant progress during Kim Tal-hyon's PISCO visit.

Ssangyong, which has been preparing for full-scale North-South trade since early this year, created a North Korea committee headed by a vice president-level executive. The committee meets once every 15 days. It is known that at this meeting, Ssangyong Corporation analyzes various information from overseas branches systematically and examines positively plans for joint ventures in cement and other industries.

Hwasung, seizing on the opportunity provided by Kim Tal-hyon's visit to its Pusan plant, reportedly discussed on behalf of shoemakers in the country, the issue of utilizing North Korean labor. The shoemaking industry had already been working on plans to form a consortium and build plants in North Korea. The Hyosung Group will give shape to its plans for four plants—sewing, textiles, shoes, tire. Meanwhile, the Kolon Group will make concrete its plans on joint ventures in three areas—sewing, shoes, and toys.

Among other projects in the planning stage are: a steel pipe plant by Korea Steel Pipe Co.; a piano factory by Samick Musical Instruments Mfg. Co.; seasonings business by Miwon Co.; herb medicine production by Il-Yang Pharm. Ind. Co.; briquette production by Kangwon Industrial Co.; fishing gear production by Dongmi Industrial Co.; PVC production by Golden Bear Company.

The tourist industry is preparing to resume work on plans which it, under the lead of travel firms, had promoted since last year until they were suspended early this year. The plans include arranging visits to North Korea for foreign tourists coming to South Korea, joint development of Mt. Kumgang and investments in it, get-togethers in limited regions between North and South Korean residents, and preservation and joint developments of the demilitarized zone.

Department stores were vigorously planning to find their way into North Korea early this year. N12ow expectations are running high among them again. Sinsegye Department Store is pushing for commodity exchanges with Pyongyang Department Store, while Lotte Department Store is planning for commodity fairs on a mutual basis. And to that end, they respectively submitted their applications to the Ministry of National Unification Board early this year for permit to contact North Korean residents.

The pace is quickening in the financial world, too. Korea Foreign Exchange Bank, which has been preparing exchange deals with the Bank of North Korea after obtaining the official permit to contact North Korean residents, is set to pursue expanded transactions. Inspired by Daewoo's vigorous push with North Korea projects, Korea First Bank—which is Daewoo's main bank—began exploring ways for cooperative ties with North Korean banks. Dongwha Bank, run mainly by people from North Korea, appears ready to claim its preemptive and preferential rights in transactions with the North.

* North's S&T Development Plan Unveiled

922C0225A Seoul MAEIL KYONGJE SINMUN in Korean 18 Jul 92 p 3

[Undated NAEWOE TONGSIN report: "Substance and Background of the Prospective Goals for Science and Technology Development up to the Year 2000"]

[Text] The "prospective goals for science and technology development up to the year 2000," a long-range plan North Korea has been pursuing to develop its outdated science and technology, has recently been unveiled.

A recent edition of CHOSON SINBO, official journal of the General Association of Koreans in Japan [GAKJ] published in Tokyo, reported that North Korea has set the "prospective goals for science and technology development up to the year 2000" in order to upgrade its science and technology to an advanced level in a short period of time, and is now pushing this program. The paper gave some details of its basic substance.

According to CHOSON SINBO, the "prospective goals for science and technology development up to the year 2000" attach importance to the fields of advance technology, such as electronics, machinery, heat, biotechnology, and chemical engineering, in which North Korea falls behind.

Listed in the "prospective target" are the technological and economic indexes, or the goals, for the level of modernization of machinery and equipment, the amount of coal and mineral output, the per chongbo grain output and the rate of growth in grain production, and so on, which North Korea aims to attain by the year 2000. They also list 60 general tasks and about 200 specific tasks which need to be undertaken as a prerequisite to the attainment of those gaols.

A more detailed examination of the substance of the "prospective goals for science and technology development up to the year 2000" as reported by CHOSON SINBO indicates that in the fields of electronics and automation engineering, attention is focused on the development of integrated circuits (IC's) and industrial robots.

Currently, there are more than 60 factories, enterprises, and branch plants in North Korea, including the "5 October" Automation Complex (in Pyongyang), Piryugang Electronic Factory, and Moranbong Automation Equipment Factory.

North Korea has developed IC's each made up of 1 million chips [as published] per 0.9 square centimeters in these factories. It plans to develop a 16-mega class very large scale integration (an integration density of 16 million] in the prospective target period.

North Korea is interested in developing computers on the basis of the development of this VLSI. It plans to industrialize the production of 32-bit very small computers, and, at the same time, develop a 64-bit class very small computer.

With regard to the development of robots, primary attention will be paid to reducing the sizes of robots and making their censors more intelligent and efficient to promote radical industrial development. North Korea has developed the robot called "flexible integrated press [FIP]," and FIP's are currently operating in some factories there.

In the field of mechanical engineering, main emphasis is placed on introducing automated, high-speed machines and equipment.

To this end, in the target period, North Korea will strive to modernize machine tools and step up research work aimed at increasing productivity while paying appropriate attention to developing new technologies by combining mechanical engineering and electronic engineering.

In the target period, therefore, the first priority will be given to increasing the rate of automation in the production system by increasing the ratio of machine tools operated by numerical control to the total volume of machine production to the level of 70 percent.

At the same time, with emphasis on R&D work to develop power-driven machines and electric machines, North Korea has a set plan to produce 1,000-ton class large capacity boilers and 300,000-kw class generators by the year 2000. In particular, to develop electric machines, North Korea plans to actively promote joint research by its own scientists and engineers and GAKJ-affiliated scientists and engineers.

In the energy field, such as fuel, power, reflecting North Korea's critical energy shortage, North Korea will carry out research work on the effective use of energy while developing existing energy sources.

To this end, in the target period, North Korea will develop new collieries and other mines and actively promote the introduction of mechanized, large-size, and high-speed mining equipment. On the other hand, it is hastening the work to build 1,000-ton class large boilers and 300,000-kw class generators. In addition, in the same period, North Korea will pay attention to developing alternate energies, such as solar energy, and step up research work designed to build solar power plants in particular.

It was in May 1991 that the fact that North Korea was pushing a long-range science and technology development plan with the year 2000 as its deadline came to light.

On 4 May 1991, when Chinese Premier Li Peng was visiting Pyongyang, Radio Beijing reported on the state of science and technology development in North Korea. In this report, the radio disclosed that North Korea had set the "prospective goals for science and technology development up to the year 2000" quoting Kim Yong-tong, director of overall science and technology planning, the State Science and Technology Committee, under the North Korean State Administration Council.

North Korea made no mention of this plan after Radio Beijing's revelation, however, and no information was made available as to when the plan was set and how it was being implemented, not to mention its substance.

Putting the May 1991 Radio Beijing report and the recent CHOSON SINBO report together, we may assume that the "prospective goals for science and technology development up to the year 2000" was set in the first half of 1991, following the end of North Korea's "first three-year science and technology development plan" (1988-1990).

This assumption is based on the following reports:

That in the Radio Beijing report, Kim Yong-tong disclosed that the "prospective goals for science and technology development up to the year 2000" has been set on the basis of the results of the "first three-year science and technology development plan";

That CHOSON SINBO reported that North Korea is currently pushing a new (second) "three-year science and technology development plan" (July 1991-June 1994) to attain the "goals for science and technological development up to the year 2000."

Judging from these reports, it may be surmised that in the judgement of North Korea, the "first three-year science and technology development plan"—which it undertook with the understanding that it is impossible to develop the economy without the development of science and technology—made some success of its own, and on the basis of this judgement, North Korea adopted a science and technology development plan with the year 2000 as its deadline after the pattern of the "10 major prospective targets for the 1980's."

This assumption is substantiated by the fact that North Korea launched the "second three-year science and technology development plan" in July 1991, more than six years after the first three-year plan ended, without any particular reason; and that it had waited more than two months before disclosing the second three-year plan.

Therefore the "prospective goals for science and technology development up to the year 2000" may be viewed as having the nature of a labor emulation drive with a deadline, which has been undertaken in the science and technology field for the purpose of upgrading North Korea's outdated science and technology in a short period of time, on the basis of the "successful results" of the "first three-year science and technology development plan."

This assumption is induced from the fact that North Korea set the "10 major prospective targets" and has been spurring its people on to attain these targets through the implementation of the second seven-year plan (1978-1984) and the third seven-year plan (1987-1993).

By the same token, to attain the "prospective goals up to the year 2000, North Korea is expected to push the "second three-year science and technology development plan," and after that, continue to push similar science and technology development plans, in order to attain these prospective goals.

Compared with the ROK's science and technology level, the science and technology development goals North Korea seeks to attain by the year 2000 are wretchedly very low. This is patently illustrated by the fact that North Korea seeks to industrialize the manufacture of 32-bit class computers by the year 2000 in the electronic and automation engineering field.

It is not clear whether North Korea will be able to attain these goals partly because it has not presented concrete ways to achieve them and partly because the North Korean economic condition is very stark in every aspect.

Burma

Burmese, Bangladesh Officials Discuss Repatriation

BK2708022292 Rangoon Radio Burma in Burmese 1330 GMT 26 Aug 92

[Text] A delegation headed by U Maung Aung, director general of the Department of Immigration and Manpower; and U Saw Thein, director general of the Department of Relief and Resettlement, left Maungdaw, Rakhine State, in a motorboat at 0700 on 22 August and arrived in Tefnak, Bangladesh at 0900.

They were welcomed at Chittagong Port by the appropriate authorities led by Mr. Mohammad Omar Farooq, commissioner of Chittagong, and students of Teknaf who waved scarves and chanted the slogan: Long Live the Myanmar [Burma]-Bangladesh friendship. The delegation left Teknaf in Bangladesh Army helicopters and arrived at Cox's Bazaar at 1000.

The eighth meeting between Burma and Bangladesh officials on repatriation of those who fled to Bangladesh was held at 1100 on 22 August in the new government guest house in Cox's Bazaar, Chittagong, Bangladesh. The meeting was attended by members of the Burmese delegation led by U Maung Aung, director general of the Department of Immigration and Manpower and U Saw Thein, director general of the Department of Relief and Resettlement and members of the Bangladesh delegation led by Mr. Muhammad Omar Farooq, commissioner of Chittagong, and Mr. Khondaker Shahidul Islam, commissioner for relief and resettlement. The meeting discussed the repatriation and reception of those who fled to Bangladesh.

The Burmese delegation led by U Maung Aung said at the meeting that their side had opened the reception centers on 15 May. Since more than three months have now passed, some food has started to deteriorate due to heavy rains. The Burmese side, therefore, urged that the repatriation be carried out as soon as possible. The Burmese side also explained that members of their border supervision teams are patrolling 17 points along the border with Bangladesh to prevent illegal entry between the two countries. The Burmese side said it is pleased that similar measures are being enforced by the Bangladesh side.

The Burmese side explained that there is freedom of movement within the prescribed rules of Burma and that there is freedom of worship and religious activities. Preaching and the use of loudspeakers is allowed inside mosques according to the regulations. However, this activity should not disturb those outside. The two sides agreed to hold regular monthly meetings.

After holding cordial and frank talks, the director general of the Department of Manpower and Immigration and the Chittagong commissioner said the two countries are friendly neighbors and no problem exists between them. The meeting ended at 1400.

In the evening, the Chittagong commissioner hosted a dinner in honor of the Burmese delegation in the hall of the government guest house and entertained the guests with dances performed by local dance troupes, including Rakhine residents in Bangladesh.

The Burmese delegation left Cox's Bazaar in the afternoon on 23 August and arrived back in Maungdaw via Teknaf in the evening.

Authorities Release 10 More Detainees From Jail

BK2608142092 Rangoon Burma Television Network in Burmese 1330 GMT 26 Aug 92

[Text] It has been learned that 10 males, against whom action was taken under existing laws and who were serving their sentences, were released today from jails in Meiktila, Myingyan, and Pakokku, after their remaining sentences were commuted in accordance with declaration No. 11/92 of the State Law and Order Restoration Council.

Cambodia

Khmer Rouge Generals To Return to UN Groups

BK2708132892 Hong Kong AFP in English 1323 GMT 27 Aug 92

[Text] Phnom Penh, Aug 27 (AFP)—The Khmer Rouge announced Thursday that they would send their generals back to U.N.-chaired committees that discuss violations of the ceasefire ending the Cambodian civil war.

The Khmer Rouge generals on orders from headquarters withdrew from the committees in Phnom Penh and in the provinces in June, leaving the bodies crippled to deal with military matters that concern all four previously warring factions.

Such issues concern not only ceasefire violations, but the disarming and resupply of troops placed under supervision of U.N. peacekeepers.

The generals will be sent to the capital and the three provinces of Kompong Thom, Siem Reap and Battambang as early as next week, said Khmer Rouge official Tep Khunnal.

"Even if our new proposals are not accepted by all concerned, we will still send our representatives to serve in the Mixed Military Working Groups," said Colonel Tep Khunnal.

As a secondary measure, the faction would again send representatives to the provinces of Kratie, Stung Treng, Kampot and Kompong Cham.

Asked why the faction was rejoining the committees, he said: "To a certain extent, the military situation can be dealt with (there) in a satisfactory manner."

Peacekeeping Force Receives Surrender of Arms

BK2608131592 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 25 Aug 92

[Text] The Indonesian Garuda 12-B contingent grouped in the UN Temporary Authority in Cambodia [UNTAC] has received a surrender of arms from the Fifth Division of the Cambodian People's Armed Forces [CPAF] at Salavisai district, Kompong Thom province. During the ceremony, about 200 CPAF troopers handed over hundreds of AK rifles and mortars to Lieutenant Colonel Bambang Hermanto, commander of the Indonesian contingent. The surrender of arms is part of the demobilization process under the UNTAC supervision aimed at ending civil war in Cambodia.

Sihanouk Expresses Thanks for Election Support

BK2608142392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 26 Aug 92

["Message from His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council, to His Excellency Chea Sim, chairman of the Cambodian People's Party Central Committee; His Excellency Heng Samrin, honorary chairman of the Cambodian People's Party Central Committee; His Excellency H.E. Hun Sen, vice chairman of the Cambodian People's Party Central Committee and head (pramuk) of the Council of Ministers of the State of Cambodia's Government, the leadership, and beloved compatriots"—read by announcer]

[Text] Beloved and most esteemed Excellencies, most deeply loved children and compatriots:

I and my wife would like to express our profound thanks to the Cambodian People's Party [CPP] with His Excellency [H.E.] Chea Sim as chairman; H.E. Heng Samrin as honorary chairman; and H.E. Hun Sen as vice chairman and head of the Council of Ministers of the State of Cambodia's Government, and all personalities, officials, and respected and beloved compatriots, children and great-grandchildren in Phnom Penh and all the provinces, districts, communes, and villages in the State of Cambodia. You all have been very kind and have consistently rendered justice to me and my wife, and have provided full support and resolute love and loyalty since I and my wife returned home on 14 November 1991—especially so in the recent decision to fully support my candidacy, Samdech Euv, the prince father, grandfather, and great-grandfather, in the election to choose the president of our Cambodia.

I and my wife would like to wish their excellencies, the three chairmen; beloved compatriots; children; and all leading personalities success, well-being, and prosperity in the mission to serve our beloved Angkor nation and motherland.

[Dated] Phnom Penh, 25 August 1992
[Signed] Norodom Sihanouk

Sihanouk Receives Thai Princess

BK2708004692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 26 Aug 92

[Text] At 1130 on 25 August at Khemarin Palace, His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, and the princess consort granted an audience to the Thai royal delegation led by Princess Maha Chakkri Sirinthon. Speaking on that occasion, the princess conveyed greetings from the king and queen of the Royal Kingdom of Thailand to HRH Prince Norodom Sihanouk and the princess consort.

In his reply, HRH Prince Norodom Sihanouk cordially welcomed the Thai royal delegation's visit to Cambodia, considering the event a great contribution to promoting the relations of friendship and cooperation between the peoples of Cambodia and Thailand.

Before taking leave, Princess Maha Chakkri Sirinthon presented to HRH Prince Norodom Sihanouk and the princess consort mementos as the symbol of the traditions and customs of the two countries, which have time-honored identical traits and culture.

Indonesia

Military Dismisses Scud Missile Purchase Report

BK2608154892 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 26 Aug 92

[Text] The Indonesian Armed Forces [ABRI] has no plan to buy Scud missiles. The ABRI Information Service today issued this statement to correct press reports that quoted Air Force Chief of Staff Marshal Sibun as saying that ABRI was considering buying such missiles. While it is true that many dealers have offered the sale of many kinds of weapons and military equipment during this post-cold war era, ABRI always thinks in terms of its own needs. In procuring military equipment, ABRI always decides the priority list first in keeping with the existing strategic plan. After that, ABRI will decide what is really needed and what the market has to offer. As for Scud missiles in particular, ABRI has not yet considered buying them.

Suharto Meets Thai Deputy Prime Minister

BK2508132092 Jakarta ANTARA in English 1033 GMT 25 Aug 92

[Excerpts] Jakarta, Aug 25 (OANA/ANTARA)—Yugoslavia will hand over the chairmanship of the Nonaligned Movement (NAM) at the NAM ministerial meeting to be held from August 29 and 30, according to Foreign Affairs Minister Ali Alatas.

Indonesia respects Yugoslavia's decision because it will help smooth the Tenth NAM Summit, said Minister Alatas following a meeting between President Suharto and Vice Prime Minister Kasem Kasemsi of Thailand at Merdeka Palace here Tuesday. [passage omitted]

According to Alatas, the application of Thailand and several other countries to become observers of the movement are now being discussed by the NAM coordination bureau in New York. The Indonesian permanent representative in the United Nations is now organizing another meeting of the NAM coordination bureau in New York prior to the summit.

Kasem, who was holding the ambassadorial post in Jakarta 20 years ago, met President Suharto to convey Thai Prime Minister Anan Panyarachun's letter asking for Indonesia's support to his country's nomination as the venue of the secretariat of the Asia-Pacific Economic Cooperation (APEC). Singapore, another member of ASEAN, is also interested in hosting the APEC Secretariat, Alatas said. APEC will have a meeting in Bangkok, September 10-11, this year.

President Suharto told the Thai vice prime minister that Indonesia will carefully study the desire of Thailand.

Philippines

Hong Kong Delegates Seek Business Opportunities

HK2408062292 Manila MANILA BULLETIN in English 24 Aug 92 p 1

[Text] President Ramos is scheduled to meet today some 100 Hong Kong businessmen who arrived at the Ninoy Aquino International Airport (NAIA) yesterday in search of new opportunities for business expansion.

Yao Eng Hue and Vicente S. Tan, president and secretary-general, respectively, of the Federation of Filipino-Chinese Chambers of Commerce and Industry (FFCCCI), said that the Hong Kong business "heavyweights" are members of the Hong Kong commercial and industrial delegation to the country organized by trade and industry groups in the British Crown Colony.

Yao enumerated the groups as the Hong Kong Kwun Tong Industries and Commerce Association led by Wu Kwok Cheung, Hong Kong Eastern District Industrialists Association headed by Lo Man Tuen, and Hong Kong Rubber & Footwear Manufacturers' Association with Peter Uao Tak Wu as president.

The FFCCCI leaders said the success of this delegation will set the tone for the inflow of investments from the Crown Colony. This group alone is expected to invest in the Philippines not less than P1 billion [Philippine pesos] in plant facilities and other start-up costs, it was reported.

Tony M. Chau, vice president of the Chinese Manufacturers' Association, group leader, said his delegation is encouraged to explore investment opportunities here in the face of the new policies recently enunciated by President Ramos.

The Hong Kong-based industrialist cited the trade liberalization policies of the Ramos government which, he said, "created a very attractive environment for investment; we foresee a bright prospect for the Philippine economy."

The Hong Kong group will visit the Calabarzon areas, Subic Bay and Bataan's Export Processing Zone.

Extension of IMF Stabilization Program Urged

HK2408060092 Quezon City MALAYA in English 24 Aug 92 p 9

[By Lou Palpal-Latoc]

[Text] The Philippines has urged the International Monetary Fund to extend the Economic Stabilization Program from December to March next year because of the delay in the completion of the Medium Term Development Plan, the blueprint of the economic policies of the Ramos administration.

Finance Secretary Ramon del Rosario explained that the three-month extension of the IMF program is necessary to ensure the stabilization of the economy until another program will be put in place.

"We would like to maintain the stabilization of the economy before we put in place a growth-oriented economic program," he said.

The Economic Stabilization Program was initiated by the Aquino administration in January 1991 in exchange for the release of the $918 million standby credit facility. The program was originally set to expire in June but former Finance Secretary Jesus P. Estanislao sought for [as published] its extension up to December this year because of the transition period under the Ramos administration.

An IMF mission arrived last week to conclude the review the country's economic performance during the second quarter. The team lead by IMF representative Bruce Smith vowed to endorse to the IMF Board for the immediate granting of the "seal of good housekeeping" to the Philippines.

Del Rosario said the extension of the IMF program means that the Philippines must continue to live within the targets until March next year. The program includes maintaining a single-digit inflation rate and a consolidated public sector deficit of 2.7 percent of the gross national product.

Although the IMF will no longer conduct a review of the economy, it will continue to monitor the country to ensure that it will meet the targets on economic indicators.

To meet the consolidated public sector deficit set under the IMF program, del Rosario said that the Ramos administration will accelerate its privatization program.

Committee To Guide PNP Anti-Insurgency Duties

HK2608145992 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 26 Aug 92

[Text] The Armed Forces of the Philippines [AFP] and the Philippine National Police [PNP] have formed a committee to oversee the transfer of all anti-insurgency operations to the PNP.

This was learned today from General Lisandro Abadia, who had gone to Malacanang to accompany his counterpart, General Shamin Alam Khan [name as heard] of Pakistan, to a meeting with President Fidel Ramos.

Under the law, AFP takes care of external defense and PNP is in charge of peacekeeping within the country, including battling the threat of the New People's Army [NPA].

Abadia said the joint committee is studying when the police will fully take over AFP's counterinsurgency operations. At present, AFP and PNP have an agreement under which AFP will fight the rebels in the mountains, while PNP will face the rebels in urban areas.

Abadia also said the military aims for strategic control this year. In 1993, he said, the military expects to achieve strategic victory, reducing the NPA threat to the security of the Philippines to an insignificant level.

Rebel Leader: Ramos Same as Past Puppet Regimes

HK2608131592 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Aug 92

[Text] Frank Fernandez, National Democratic Front secretary general, has said that the Ramos administration is no different from the past administrations. Fernandez likened the Ramos administration to a person rowing on two rivers with a paper paddle. Fernandez said that Ramos has been in office for 56 days, and the political and economic crises are getting still worse. He particularly cited Ramos' appointments of his own people to various government departments, which were made solely for their own personal gain. Here is part of Fernandez's statement:

[Begin Fernandez recording] The Ramos reign is no different from the past puppet governments. It can be likened to a man who is rowing with a paddle made of paper provided by the U.S. imperialist. [end recording]

Meanwhile, Fernandez added that we can clearly see that Ramos wants to restore the fascism that prevailed during former President Marcos' regime from his approval of Administrative Order No. 2, which established a super intelligence body.

[Begin Fernandez recording] He is gradually laying down the instruments for fascism, for example Administrative Order No. 2. [end recording]

Sison Welcomes Political Detainees' Release

HK2708062992 Manila MANILA BULLETIN in English 27 Aug 92 p 1

[By Owen Masaganda]

[Text] Jose Maria Sison, alleged founder of the Communist Party of the Philippines (CPP), said yesterday he is happy that President Ramos has ordered the release of political detainees, including former newsman Satur Ocampo, leader of the National Democratic Front, the CPP's political arm.

In an interview by long distance telephone in his home and office in Utrecht in the Netherlands, Sison said if President Ramos offers him a job as presidential adviser on social justice, he might accept it.

Sison said he met with human rights lawyer Romeo Capulong on a compromise agreement to hold peace talks with the government.

He said he is willing to discuss various matters with Tarlac Rep. Jose Yap who will arrive soon in The Netherlands.

Sison said they will discuss the relationship of the government and the CPP.

President Ramos had earlier urged the legalization of the CPP.

Sison said former priest Luis Jalandoni will represent the NDF [National Democratic Front].

He denied charges against him by Brig. Gen. Emiliano Templo, AFP [Armed Forces of the Philippines] Civil Relations chief, that he (Sison) is making money out of contributions from communist countries.

Sison said that he is earning a living to support his family by lecturing in schools and various groups as chairman of the International Network for Philippine Studies and Publishing Books.

Sison and his family are living in exile in Utrecht after the ceasefire talks collapsed in October, 1986. He added he sought political asylum in The Netherlands.

Rebel Soldiers Await Receipt of Release Papers

HK2708101392 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 26 Aug 92

[Text] A top officer of the Armed Forces of the Philippines [AFP] has stated that more military rebels could be released, saying that the initial release of 16 soldiers is just a very small part of those who should be freed.

Meanwhile, General Lisandro Abadia, AFP chief of staff, said the 16 rebel soldiers could not be released yet because he has not received their release papers from the Department of Justice. He added that they will be placed in the custody of their service commanders.

In related news, Justice Secretary Franklin Drilon has admitted that military rebels who are under trial may be freed through an order by court martial before they are turned over to their service commanders, while those who have already been sentenced should secure proper orders or a presidential pardon direct from the president for their release. Drilon said the rebels can only be freed when orders for their release are issued by the courts where they have pending cases.

'High' CPP-NPA Officials Arrested in Negros

HK2708013792 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Aug 92

[Text] Elements of the 51st Infantry Battalion have arrested two high officials and three members of the Negros party committee of the Communist Party of the Philippines-New People's Army [CPP-NPA].

Colonel Raul Ojelio, Task Force North and 301st Army Brigade commander, identified the rebel leaders as Oscar Tubaro, alias Comrade Gorio, secretary of Front Command 3, Section Command 1, with the codename Bungyod; and Erlindo Armamento, assistant secretary of Tubaro and finance committee chief of Section Command 2. Tubaro was reported to be carrying a P70,000 [Philippine pesos] reward for his capture, and Armamento P30,000.

Also arrested were Bonifacio Orlido, Section Command 1 transportation and communications chief; Jose Rexis Valdeveso, red fighter and member of Front Command 3, Platoon 1; and Pablo Santillan, an NPA mass activist.

The military report also said the NPA members surrendered peacefully after a firefight lasting several hours. They yielded one M-16 rifle with ammunition, three .38 caliber revolvers, two Icom radio antennas, and two sacks of subversive documents, which included a list of sugar planters who were targets of the NPA's progressive taxation.

NPA Commander Surrenders in Eastern Visayas

HK2708055492 Manila MANILA BULLETIN in English 27 Aug 92 p 1

[By Fred M. Lobo]

[Text] President Ramos accepted yesterday the surrender in Malacanang of Rodrigo Sugalan, regional commander of the New People's Army (NPA) for Eastern Visayas, who welcomed the amnesty and peace program of the government.

Sugalan, known as Commander Basio, personally turned over to Ramos his .45 caliber pistol and vowed to convince his men to give up their armed struggle in support of government's efforts at forging a lasting peace and stability in the country.

As this developed, the Cabinet committee on national security (Cluster E) proposed to Ramos the creation of a presidential advisory board on the peace process.

Cluster E recommended that the board to help advise the president be composed of former President Diosdado Macapagal, with Bernabe Buscayno, Horacio Morales, Luis Taruc, and Jesus Lava as members.

The Cluster E also presented to the President an organizational structure for the National Unification Council (NUC), calling for the creation of three divisions within the commission to handle specific issues related to the communist movement, the military rebellion and the Muslim insurgency.

Malacanang said that all efforts on the peace and unification program of the administration were being coordinated and strengthened.

Ramos ordered the other day the release from detention of the top five leaders of the Communist Party of the Philippines (CPP) and 16 officers of the Reform the Armed Forces Movement (RAM) in line with his amnesty and peace program.

The President said that the release of the hard-core communist leaders and other rebels will enable them to rejoin civil society as normal and law-abiding citizens.

Sugalan told the President that his decision to come back to the fold of the law during the Ramos administration was inspired by one of the policy speeches of the President in which he spoke on the amnesty program of the government for a lasting and peaceful solution to the insurgency problem.

Showing a newspaper headlining the temporary release of five key communist leaders to Sugalan, the President said: "This proved the sincerity of the government. This is not just propaganda."

The President directed Defense Secretary Renato de Villa to issue a safe conduct pass for Sugalan so that he can have the freedom to move around the Eastern Visayas and talk to his men about the government's amnesty program so they can return to a peaceful and quiet life.

The President initially cited overseas jobs for surrendering rebels which would assure them of a higher salary and income.

Ramos also expressed confidence that when he visits Tacloban on the first week of September he will see some of Sugalan's men in the area.

Sugalan was accompanied to Manila by his first contact man, Gov. Lutgardo Barbo of Eastern Samar.

Executive Departments' Reduction, Merger Deferred

HK2708093292 Manila THE CHRONICLE in English 29 Aug 92 p 6

[By Booma Cruz]

[Text] The reduction and merger of some executive departments in line with the streamlining of the bureaucracy has been deferred, Malacanang sources said.

A high-ranking Cabinet official yesterday said the reorganization plan of the administration, which included the reduction of 21 executive departments to only 13, has met stiff resistance from some members of Congress who found the plan "unacceptable" because of its impact on jobs.

"Efforts to get congressional approval for the sweeping authority seem to be unacceptable to legislators," the official said.

In his State-of-the-Nation address, President Ramos revealed his plans to reorganize the bureaucracy, promising to rid the government of the so-called "15-30" employees.

He had already directed all government departments and agencies to submit a "streamlining report" preparatory to his administration's reorganization agenda.

A draft reorganization plan submitted to the executive specifically suggested the reduction of executive departments.

Cabinet Secretary Leonora de Jesus, however, indicated that such a plan would not be adopted. She said that aside from the downgrading of the tourism department into a corporation, no major reorganization within the executive departments was expected.

Meanwhile, agriculture Secretary Roberto Sebastian reported that the streamlining within his department would essentially focus on the consolidation of four livestock agencies into one, two financing agencies into one, and two fiber agencies into one.

Thailand

Ministry To Review Amity Treaty With U.S.

BK2708043392 Bangkok THE NATION in English 27 Aug 92 p B10

[Text] The Foreign Ministry will review the Thai-US Treaty of Amity and Economic Relations late this week in anticipation of the changing trade environment in the global community.

MR Pridiyathon Thewakun, deputy commerce minister, said that the meeting will take place at Cha-am district in the southern province of Prachuap Khiri Khan on August 29-30. Thai officials will review some details in the Treaty of Amity before considering whether it should be abrogated.

"We have entered into an era of competition. And the treaty could be considered discriminatory by the other trading partners on the grounds that we have favoured one particular country," said MR Pridiyathon.

The deputy commerce minister added that the review of the treaty could create fairness to all Thai trading partners as it would not give a special preference to any particular country.

The Thai-US Treaty of Amity and Economic Relations was signed in 1966 by then-Foreign Minister Thanat Khoman and Graham Martin, the US ambassador at that time. The principle of the treaty is "national treatment", which includes providing US firms with the right to operate in Thailand under the same conditions as domestic firms.

Referring to the recent statement from a US senior official asking the Thai government to amend the Revolutionary Council Order No 281 under the Alien Business Law, MR Pridiyathon said, "We can make the decision by our own consideration without any advise from others. And we will make it fairly for every nation."

He added that the abrogation of the treaty will not reduce US investment in Thailand as recently claimed by the US official. "The US investors come to Thailand not only because the long-established friendship of the two states, but also they realised that Thailand has a good business potential and they would get good return," he said.

The deputy minister asserted that the US was not the only country which invested in Thailand, but there are other countries whose investment exceeded that of the US.

Government Requests More U.S. Trade Preferences

BK2708040792 Bangkok BANGKOK POST in English 27 Aug 92 p 22

[Text] Thailand has asked the United States to add three products from Thailand to its Generalised System of Preferences (GSP).

The three products, which would considered by the US Trade Representative [USTR] for special treatment of duty-free tariff preferences, comprise smoked sardines, pineapple juice, bicycle tyres.

According to a report by M Nupthong Thongyai, the Thai Embassy's Minister (Commercial) in Washington, the USTR decided in August to further consider the 20 cases from 121 requests of developing countries who asked for GSP privileges from the US.

He said that if the USTR agreed grant the GSP on three products from Thailand as requested, it would come into effect in July next year.

At the same time, Thailand also asked the USTR to reinstate the GSP on buffalo hides for the 1993 fiscal year after it was withdrawn from the list last year on the grounds that its export values exceeded the competitive need limits stipulated by the US.

Chatchai Vows To Stop Business With Khmer Rouge

BK2208042392 Bangkok BANGKOK POST in English 22 Aug 92 p 6

[Text] Chat Phatthana leader Chatchai Chunhawan said yesterday he will press Thai businessmen to stop trading with the Khmer Rouge.

The Khmer Rouge are still powerful and many Thai businessmen still trade with them, said Gen Chatchai, who has returned from a three-day tour of Cambodia at the invitation of Prime Minister Hun Sen.

Gen Chatchai said China has stopped supplying weapons to the Khmer Rouge, and Thai businessmen should follow suit and stop trading with them.

"If I become the next premier I will ask businessmen to help bring peace back (to Cambodia)," he said.

Hun Sen has been pleased with Gen Chatchai's policy of "turning battlefields into market places" in Indochina, Gen Chatchai said.

He said Cambodia is fortunate in having three important resources: food, natural gas and oil.

He told the Cambodian premier he will promote bilateral trade between Thailand and Cambodia.

Thailand is very interested in buying oil and gas as well as other products from Cambodia, and in maintaining a balance of trade between the two countries, he said.

After dining with Hun Sen on Thursday night he told reporters he had promised the Cambodian premier he would promote peace in Cambodia and help form a national government in that country as fast as possible.

He also told Hun Sen he would push for an exchange between the two countries of legal, tax, financial and banking experts if he becomes the next premier.

Gen Chatchai's former advisor, Surakiat Sathienthai, is setting up a centre to study the laws of Indochina.

Mr Surakiat, the newly elected dean of Chulalongkon University's law faculty, said his faculty will collaborate with the Cambodian authorities to set up the centre.

Mr Surakiat and another former Ban Phitsanulok advisor, Kraisak Chunhawan, accompanied Chatchai to Phnom Penh.

Gen Chatchai said the Cambodian government is to send representatives to Thailand to observe the election.

Japan Asks for Help With Safety of SDF Troops

OW2608121992 Tokyo KYODO in English 1135 GMT 26 Aug 92

[Text] Bangkok, Aug. 26 KYODO—Japan has requested that Thailand exercise its good office in assuring safety of some 700 Self-Defense Forces (SDF) personnel and civilian officials to be dispatched soon to Cambodia for U.N. peacekeeping duties, Thai sources said Wednesday.

The request was made on several occasions and Thailand has seriously addressed the Japanese concern, according to one high-ranking Thai official.

"We are well aware of the rationale behind the Japanese Government's concern since it is the first time ever for Japan to take up an international peacekeeping mission," the official said.

Thailand has close and cordial contacts with all four of Cambodia's rival factions, which are in the midst of a national reconciliation process under the U.N.-brokered Paris peace accord signed last October.

The U.N. peacekeeping forces, present inside Cambodia since earlier this year, have had a few incidents where they were attacked while inspecting strategic military areas inside Cambodia.

"Japan's role in the Cambodian peace process is vital to Thailand, therefore the SDF's safety is now one of our main concerns," the Thai official said.

Japan Provides Aid for Development Projects

BK2608111892 Bangkok Radio Thailand Network in English 0000 GMT 26 Aug 92

[Text] The Japanese Government has offered a grant aid worth 690 million baht to Thailand to finance three major projects. Of the total amount, 140 million baht will be used to support the establishment of a highland research and training center in the northern province of Chiang Mai. The project, carried out by Chiang Mai University, is aimed at promoting cultivation of vegetables, fruits, and flowers. It will increase hilltribe farmers' income and help reduce opium cultivation. About 280 million baht will finance the setting up of a plant nursery in the northeast. The project has been implemented by the Royal Forestry Department in honor of Her Majesty the Queen on the occasion of her 60th birthday anniversary this year. Another 220 million baht will be spent on the construction of a new operation building of Maharat Hospital in the southern province of Nakhon Si Thammarat. The hospital has been developed as the largest public hospital in the southern region.

Department Reports 1991 Trade Figures With EC

BK2708065492 Bangkok Radio Thailand Network in English 0000 GMT 27 Aug 92

[Text] The European Community, EC, has become Thailand's second ranking export market after the United States. The Department of Business Economics reported that Thailand has gained a trade surplus over the EC at 16.02 billion baht. Trade between Thailand and the EC last year amounted to 284.11 billion baht, or 16.9 percent of total Thai exports. Thailand's imports from the EC totaled 34.04 billion baht, or 14 percent of total Thai imports.

The report said that Thai major exports to the EC include garments, tapioca products, shoes and parts, jewelry and ornaments, computers, and canned seafood while Thailand imported from the EC such items as industrial and electrical machinery, chemicals, ornaments, and steel.

Official Reviews Security Situation Along Borders

BK2708072392 Bangkok Radio Thailand Network in Thai 0530 GMT 27 Aug 92

[Text] Lieutenant General Anuson Kritsanaserani, director of the Information Office of the Supreme Command Headquarters, held a news conference at Building 604 in the compound of Supreme Command Headquarters on the situation along the Thai-Cambodian, Thai-Lao, and Thai-Burmese borders. He said:

There was no fighting among the Khmer factions along the Thai- Cambodian border in the period under review. All factions remained in the areas under their control. However, it is highly possible that the faction under Khieu Samphan might initiate fighting in the vicinities of Siem Reap, Sisophon, and Battambang to expand the areas it controls. Meanwhile, the Khmer Rouge is now holding negotiations with the UNTAC [UN Transitional Authority in Cambodia] on the increasing role of the Supreme National Council of Cambodia and other promblems which, if left unsolved, can have a direct impact on Thailand. Other border problems such as kidnappings, weapons smuggling into Thailand, and car thefts have largely declined as a result of the precautions taken by the Thai military. There are only 260,000 Cambodian refugees remaining in Thailand and the last of 100,000 Cambodian refugees will be repatriated through the border crossing at Khlong Luk village and Poipet township on 31 August.

As for the situation along the Thai-Lao border, the Thai-Lao Joint Commission during its meeting last week satisfactorily worked out a solution to the problem of the demarcation line in the areas of Chiang Rai and Ubon Ratchathani Provinces.

Fighting broke out between the Wa ethnic group and Khun Sa men along the Thai-Burmese border while the Burmese Government launched a suppression operation against the Karen ethinic group opposite the Thai border in Mae Hong Son Province early this month. Stray bullets landed inside the Thai territory. However, the Thai armed forces are fully prepared to cope with the situation and protect Thai villagers.

Anan Outlines Economic Policy Directions

BK2708050592 Bangkok BANGKOK POST in English 27 Aug 92 p 13, 22

[Text] Thailand must follow four crucial policy directions to ensure a bright economic future, according to Prime Minister Anan Panyarachun.

In an address prepared for the Foreign Chambers of Commerce of Thailand last night, Mr Anan said the foundations which had been laid in the past decade and the progress which had been made in liberalising the country's financial sector, trade and investment would ensure the society and economy would continue to grow and develop.

The country would become more integrated into the world economy and play a leading role in promoting cooperation and economic progress in the ASEAN region and Indochina, Mr Anan said.

The speech, entitled "Thailand: Open Society, Dynamic Economy" said the four policy directions Thailand should follow were:

—Expansion of Thai investments overseas;
—Increased efforts to mobilise savings;
—Establishment of an offshore financial market to help turn Thailand into a regional financial centre;
—Intensification of efforts to make the ASEAN Free Trade Area (AFTA) a reality.

Overseas investments should be expanded as a natural extension of outward-looking policies, Mr Anan said.

In addition to enhancing the competitiveness of Thai enterprises, the foreign investment would provide much-needed capital and technology to support the effort of Thailand's neighbours—in Indochina in particular—to realise their full potential.

The campaign to boost savings mobilisation needed increased effort, he said. Over the next five years, planners had estimated the annual investment-savings gap would approach US$9 billion.

An inter-departmental working group comprising all involved agencies, including the Bank of Thailand and the Finance Ministry, was presently paving the way for the establishment of a national committee to develop a comprehensive strategy to enhance savings mobilisation.

A key element of the strategy would be to promote the savings of large institutions through provident funds, life insurance schemes and the introduction of new financial instruments.

Moves were currently under way to establish an offshore financial market, to be known as the Bangkok International Banking Facility (BIBF).

The facility would allow international banking activities to be conducted in Thailand under tax and regulatory conditions similar to other major financial centres in the world, he said.

In addition to generating income from a wide range of financial services, the BIBF would complement Thailand's efforts to enhance savings mobilisation and promote Thai investment abroad.

"It is also my hope that it will play a pivotal role in accelerating the integration of the Indochinese states into the world economy," he said.

Finally, to further strengthen Thailand's international competitiveness, efforts must be intensified to bring the AFTA into being, he said.

"AFTA will chart the course of ASEAN toward greater integration into world markets and will enable the region to become a major player in global trade.

"As I near the end of my term office, the realistic part of me reminds me that a nation's economic, social and political evolution requires continuous attention and is composed of numerous incremental improvements.

"One cannot afford to become complacent in the face of past success of perceived achievements."

In addition to continuing the move toward economic and social liberalisation that have been the key orientation of Thai policy makers over the past decade, there are some additional areas Prime Minister Anan says he wants to see high on the agenda of future governments.

First, he said, greater emphasis must be placed on education. A better educated population would be the key to the nation's efforts to tackle the challenge of the future.

Higher levels of education would lead to greater political awareness, reduce differences in economic opportunities between urban and rural areas and enhanced competitiveness of the Thai economy.

Second, Thai economic progress would mean little if Thais did not continue to give the highest priority to environmental issues.

"My first administration put in place a vastly-improved body of legislation to support a cleaner greener Thailand in the future.

"However, the legislation alone is not enough. Both the public and private sectors must work hand in hand to ensure that the measures are enforced and that environmental consideration becomes an integral part of every business and policy decision."

Third, more intense efforts must made to strengthen political institutions and to develop a political party system based on principles rather than personalities with a cadre of experienced, professional politicians could guide Thailand into the future.

Mr Anan said when he assumed post of Prime Minister in June, the mandate of his interim Government was essentially to attempt to heal the wounds in society, to implement measures to restore the economy and to prepare free and open elections.

From an economic perspective, sectors that were most adversely affected were those related to tourism and real estate.

In most other areas, only short-term disruption was experienced and it was back to business as usual. No plants closed down, government services were interrupted for only two or three days and international telecommunications were not suspended at all.

At the macroeconomic level, the figures for the first half of the year demonstrated the remarkable resilience of the Thai economy.

Exports continued to perform extremely well, with growth of over 16 percent, while imports remained essentially at the same level as 1991.

Foreign direct investment from January to June exceeded US$1 billion, significantly up from 1991.

Overall economic growth estimate for the year had been revised from about 8.5 percent to 7.5 percent.

Although infrastructure constraints persisted, most of the large projects that were negotiated during his first administration were proceeding on schedule.

"From a political perspective, there have also been some positive developments, although we must never forget what high cost such progress achieved," he said.

First, he said, the widespread participation of middle-level professionals and entrepreneurs in the May demonstrations strongly indicated an increase in political awareness that could not be ignored.

The Thai population had had a taste of professional and honest government in the past year or so, and their expectations of future governments would therefore be higher.

Attitudes were changing in Thai society, with more and more groups and organisations beginning to participate in the political process. People were asking politicians to justify their policies, their backgrounds and which parties they were in last time around. A more mature understanding of the essence of democracy was emerging, he said.

"However, I do not expect a miracle on September 13. Although we have greatly strengthened the cooperation between the Ministry of Interior other institutions monitoring the elections such as PollWatch, the problems that have plagued past elections will not be completely eliminated.

"Many of the same old faces will return. But whoever returns to Parliament in September will find the Thai people demanding more accountability from them than in the past."

Mr Anan said he believed there been a positive shift in the role of military in Thai society. Under new leadership, the military institutions learned well from the turmoil of May.

"They will focus on developing a professionalism more in keeping with the appropriate role in Thailand's increasingly open, democratic society—defence of our country, defence of our constitution, and support of rural development initiatives."

Chatchai Offers Theory on 'Missing' Bodies

BK2208024392 Bangkok BANGKOK POST in English 22 Aug 92 p 1

[Text] Bodies of those who went missing during the May events may have been taken by air and dumped in dense jungle along the Thai-Burmese border, according to former prime minister Chatchai Chunhawan. His theory comes as the Government steps up efforts to find the people. The Cabinet recently set up a civilian-led committee to launch a new investigation of the cases following complaints from relatives of the missing and pro-democracy groups.

Gen Chatchai told Thai reporters during dinner in Phnom Penh this week that he believes the number of those missing, as suggested by several non-government organisations, is too high and he puts the figure at 252.

Gen Chatchai said that to take such a large number of bodies out of Bangkok before they decomposed would require an aircraft.

And to dispose of them, the mountainous terrain with deep ravines along the Thai-Burmese border would be the most suitable place.

He warned that apart from the difficult terrain, the Thai Government will have difficulty obtaining any cooperation from the authorities in the "neighbouring country" to help search for the bodies.

"They (the Burmese State Law and Order Restoration Council) and those NPKC leaders who ordered the massacre share the same dictatorship mentality," said Gen Chatchai, who was overthrown by the NPKC in the February 23 coup last year. He said that had he been in charge of the massacre investigation, he would have been able within two hours to pinpoint the military commanders responsible for ordering the crackdown.

He said the compensation the Government is paying relatives of the victims is too small.

The Government initially made available 100,000 baht in cash to relatives of those killed.

Compensation was later increased to 200,000 baht.

Gen Chatchai said he paid the parents of a Ramkhamhaeng University student one million baht after the man burnt himself to death to protest against his government even though his government was not responsible for the man's death.

"The Government should pay at least one million baht for each family of those killed by government officials," Gen Chatchai said.

He believes the military will not another coup. [sentence as published]

He also wants to see the armed forces structure reorganised but declined to elaborate on this.

Asked what he will do with the military if he becomes prime minister, Gen Chatchai did not reply, saying only that he prefers to become just an MP for Nakhon Ratchasima province.

The committee screening the investigation report of the group led by Sophon Ratthanakon into the May events expects to send its report to the Cabinet on September 1.

Some details will be made public but others will be confidential to the Cabinet because they may involve the identity of witnesses.

The screening committee, which met for the first time yesterday, broadly discussed the findings of Mr Sophon's committee.

Defence Minister Banchop Bunnak said the findings are more or less the same as those of a committee appointed by the Defence Ministry.

However, the timing for the findings to be published has to be decided.

Investigator Denies Bodies Dumped

BK2308051292 Bangkok BANGKOK POST in English 23 Aug 92 p 3

[Text] An investigator into the whereabouts of those killed in the May turmoil believes their bodies have not been dumped in dense jungle on the Thai-Burmese border.

Local Administration Department deputy director-general Damri Watthanasing chairs a sub-committee examining suspected burial sites.

He was responding to comments by former prime minister Chatchai Chunhawan in Phnom Penh suggesting that the bodies might have been taken by air and dumped in the remote region.

Gen Chatchai also said it would be difficult for the Thai Government to obtain Burmese cooperation to search for the bodies because the State Law and Order Restoration Council (SLORC) shares the same "dictatorial mentality" as the Thailand's now-defunct National Peacekeeping Council.

But Mr Damri said that if the subcommittee obtains information on areas where the military may have hidden the bodies he and other department officials will check them out.

He said he has appointed Prasong Phithunkitcha, director of the Security Affairs Division, as subcommittee secretary. The division has obtained information nationwide on where the bodies may be hidden.

Mr Damri said his sub-committee comprises members of the three Armed Forces, the Police Department, Bangkok Metropolitan Administration and universities.

"I believe the sub-committee will be able to find out whether or not there are bodies hidden and where. We will try our best."

Mr Damri's sub-committee is one of three under a Cabinet-appointed committee led by Interior Deputy Permanent Secretary Ari Wongaraya.

Of the two other sub-committees one is to search for those reported missing and the other will handle public relations.

The main committee, headed by Mr Ari, will hold a meeting on August 28 to hear reports from the three sub-committees, Mr Damri said.

Police Begin Guarding Pro-Democracy Leaders

BK2508025192 Bangkok BANGKOK POST in English 25 Aug 92 p 1

[Excerpts] Metropolitan police have begun providing special protection for 17 prominent academics and radio and television presenters known for their outspoken pro-democracy views, an informed police source said yesterday.

Metropolitan Police Commissioner Lt-Gen Narong Rianthong ordered the special protection following the recent spate of threats and acts of intimidation against certain individuals following the May events.

The latest incident occurred last week when two firebombs were hurled into the compound of the house of Dr Choemsak Pinthong, Thammasat University lecturer and presenter of the popular Mong Tang Mum (Different Perspectives) TV programme on Channel 11.

The bombs caused only minor damage to the house, but were the third attack on Dr Choemsak.

Uniformed and plainclothes police have been assigned to provide security for 17 individuals, the source said, with those who recently received threats getting 24-hour protection, he said. [passage omitted]

Police began providing protection yesterday following fears ill-intentioned elements might try to confuse the situation before the election, the source said.

The extent of protection differs from case to case, the source explained.

For those whose life has been threatened police will be assigned to provide close guard and keep close watch on their homes.

Other police will be assigned to gather information to help security of the threatened individuals.

One of the academics now under police protection, Dr Choemsak, said last night that three police officers, including a police lieutenant-colonel, a captain and a master sergeant, were assigned to protect him.

One of them is acting as his driver, he said.

In addition, the house is guarded at night and a police patrol unit is sent to his house at random times.

Dr Choemsak said the protection made him feel secure but had caused him to lose his privacy. But it was better to have protection because of the seriousness of the last attack.

He admitted he had received several threats since the May events, but the firebomb attack last week was the most serious.

Police protection will be provided for the individuals until after the election when a new government is formed, said Dr Choemsak.[passage omitted]

Muslim Group Blames Dissident Faction for Bombing

BK2608070592 Bangkok BANGKOK POST in English 26 Aug 92 p 3

[Text] The Pattani United Liberation Organisation [PULO] has blamed the deadly bombing of Hat Yai railway station on a dissident faction that opposes truce talks now being held between Muslim separatists and the military.

Senior Fourth Army officers were told this by a senior PULO member during a recent meeting in Malaysia, a military source said yesterday.

The source said army representatives led by Col Arkhanit Muansawat held informal talks with a PULO representative last week who denied the group had anything to do with the blast.

"They said it might be the work of a dissident faction that wants to derail the truce talks," said the source. The PULO member claimed that the dissident faction was led by Hayi Sama-Tae Thanam, commander of the southern area, according to the source.

Earlier, local police said Hayi Sama-Tae Thanam might be involved in the blast and issued an arrest warrant for him.

The source said much has been achieved in the truce talks since Fourth Army commander Kitti Rattanachaya ordered a search for a peaceful end to the terrorists' armed struggle in the South.

Lt-Gen Kitti played a key role in ending the armed struggle of the Communist Party of Malaya three years ago by holding talks. The Communists now live peacefully along the Thai-Malaysian border.

The source said PULO has raised several issues to discuss with local security forces. They want guarantees from the Government before they end the armed struggle to establish an independent Pattani Islamic state.

"The fighting might end soon," said the source, an intelligence officer. He declined to give any details.

Several months ago, an army representative met PULO leader Tengku Bila in the Middle East.

The PULO leader initially responded positively to a proposal by the Fourth Army to end the armed struggle, which has scared local and foreign investors away from the Muslim-dominated region.

Local officials are concerned that as long as the problem continues, there will be no economic prosperity in the region.

Narathiwat Islamic Committee chairman Rewat Ratchamukda joined other area Muslim leaders yesterday in voicing doubt that PULO was behind the bloody bombing in Hat Yai.

"Whenever something goes wrong, local officials blame it on (the terrorists)," said the chairman.

He added that some local officials may gain something by blaming terrorists.

"Why should they do such things as kill innocent people?" he asked.

He said the terrorists usually attack military and security forces, not innocent people.

He said many government officials had asked him to help solve the mystery of the bombing.

"I just told them to leave. They always come to see me when something goes wrong and they need my help. How could I know anything?" he said angrily.

He said security could be improved by political means and he was worried that some local authorities do not understand this.

"Many government officials posted here have caused problems with local people. As long as this goes on I doubt that the situation would improve," said the chairman.

He said the National Security Council plan implemented a few years ago had fostered understanding among local people, but local Muslims want the Government to display its sincerity more by solving problems in the area.

"If a policy is not fully implemented, it is no good," said the chairman.

The NSC policy called for local officials to use political means and consult Muslim leaders to resolve conflicts in the area.

The chairman condemned the Government for giving the provincial Islamic committee office "only 17,000 baht annually, while we have expenses of more than 35,000 baht a month."

"I deeply regret this. It shows that our government has not taken seriously the plight of their Muslim brothers in the South. I complained about this several times but nothing happened," said Mr Rewat.

Separatists To Punish Members Involved in Bombing

BK2508030192 Bangkok THE NATION in English 25 Aug 92 p A1

[By Prayut Siwayawiro]

[Text] Hat Yai—Leaders of Thai Muslim separatists based in Malaysia have promised to punish any of their members responsible for the fatal bomb blast at Hat Yai railway station and then send them to Thailand for further legal action, an informed source said yesterday.

The source said leaders of the separatists also agreed to help Thailand's search for those who masterminded the explosion in Songkhla Province.

The separatist leaders told a Thai team, headed for Malaysia to seek cooperation in the investigation into the blast, that they would do their best to help them.

The leaders of the Pattani United Liberation Organization (PULO), Barisan Revolusi Nasional (BRN), and National Liberation Front of Pattani (BNPP) promised they would punish, in compliance with their rules, any member found guilty of masterminding the blast. They would then be sent to Thailand for further legal action.

The Fourth Army Region has sent a team to the northern Malaysian state of Kelantan for talks with the leaders of the three separatist groups. The source said the leaders expressed sympathy over the loss of life and damage caused by the blast.

However, the leaders said it was unclear yet whether PULO was behind the explosion at the crowded railway station. They told the Thai team that a third party could have exploited the incident for their own benefit.

Region Commander Says Southern Separatism Ending

BK2708035992 Bangkok BANGKOK POST in English 27 Aug 92 p 2

[Text] Hat Yai—The armed struggle by two mainstream separatist movements in southern Thailand, the Phatthani United Liberation Organisation (PULO) and the Barisan Revolusi Nationale (BRN), is expected to cease at the end of this year, Fourth Army commander Kitti Rattanachaya predicted yesterday.

Lt-Gen Kitti said truce talks with the two separatist groups were in progress with the prospect that their struggle might end soon.

The Fourth Army commander clarified that the cessation of the struggle would mean that there would be no more insurgent activities to destabilise the security of the South.

He said this would also mean the end to the struggle for autonomy by the so-called Phatthani State.

Lt-Gen Kitti said the leaders of the two outlawed organisations pledged to end the struggle once truce talks have been concluded.

He declined however to elaborate on the details of the truce negotiations, claiming this would jeopardise the success of the talks still in progress.

Lt-Gen Kitti cited the successful talks to end the Communist Party of Malaya's [CPM] armed struggle in the South.

"No one believed then that the CPM Communists would cease their armed struggle, but we made it a reality and I believe we will be able to achieve our goal this time," said the commander who has spent more than 30 years as a soldier in the South.

He said assistance, similar to that given to CPM guerrillas, would be provided to the separatists "so that they can return to society to take part in building a better country".

"Let's get out of the jungle and fight under the law that governs society," he said.

The commander blamed the Hat Yai bomb blast on August 13 on a PULO splinter group whose leader, Hayi Sama-aae, wants to scuttle the truce talks. But the talks will continue, he said.

"As any commander of the Fourth Army responsible for the southern region, I believe it was the work of PULO. There are many steps involved in solving the problem so we shouldn't talk too much about it," he said.

"The Fourth Army had disarmed the Communist Party of Thailand and Communist Party of Malaya, so we think we can reach a truce with Muslim separatists," he said.

There were also bomb and grenade attacks after the railway station blast which Lt-Gen Kitti said could have been the work of people trying to influence the September 13 election.

He said that security in the South was generally good.

The head of the fundamentalist opposition Parti Islam in northern Kelantan State of Malaysia has offered to provide sanctuary to Southern Thai separatists, but Lt-Gen Kitti said this was not a new proposal.

He also said the proposal constituted the internal affairs of Malaysia.

"One has to understand the situation that he (Parti Islam leader) belongs to the opposition party which does not get along with the central government. As a member of the Opposition he has the right to say anything even though we might consider it improper as we have close ties with Malaysia," said Lt-Gen Kitti.

Democratic Groups To Block Chatchai Comeback

BK2708034592 Bangkok BANGKOK POST in English 27 Aug 92 pp 1, 3

[Text] The Confederation for Democracy [CFD] is considering ways, including possible public protests, to block the comeback of Chat Phatthana Party leader Chatchai Chunhawan as next prime minister.

Former National Peace-Keeping Council [NPKC] chairman Sunthon Khongsomphong also raised opposition to Gen Chatchai being appointed premier, saying he was inappropriate for the post.

CFD chairman San Hathirat will propose the measures at a general assembly of the organisation this Saturday.

"We will look at various measures to prevent him becoming prime minister," said Dr San.

The confederation is looking at initially lobbying prominent citizens to persuade Gen Chatchai not to accept the premiership if offered, but he refused to say who these prominent citizens might be.

If that fails, then "we may have to stage a peaceful protest, depending on the situation and public consensus".

The possibility of Gen Chatchai regaining the premiership has gained weight.

A poll released last week by the Interior Ministry showed Chat Phatthana may gain up to 77 seats, Chat Thai 74, New Aspiration 67, Phalang Tham 51 and the Democrats 48.

Most members of Chat Phatthana are former MPs who defected from the promilitary parties, notably the Samakkhi Tham Party.

The prospect of Gen Chatchai returning as prime minister has led to fierce attacks by rival parties.

The New Aspiration Party, in particular, has questioned his suitability to assume the premiership after the Assets Examination Committee seized his assets amounting to hundreds of million baht.

The Phalang Tham and Democrat parties are bitterly opposed to MPs whose assets were frozen becoming ministers in the next government.

Pro-democracy groups are also expected to oppose Gen Chatchai as prime minister, although they have still to make any public comment. Dr San is the first person to speak out publicly.

He said he hoped the CFD did not have to resort to public pressure against the Chat Phatthana leader.

"I think it will be very difficult for him to become prime minister because of the stigma from the assets committee verdict," he said.

Dr San said Gen Chatchai must also be held responsible for creating the conditions which allowed the military to intervene politically and eventually topple his government in February last year.

"It showed he was incapable of administering the government effectively and the public had denied him support.

"His party may get the most votes, but he should not be prime minister because of his tainted image."

Legal justification and political righteousness must be considered separately, said Dr Sant.

"The public should uphold righteousness above legal justification."

He compared this to the military crackdown on demonstrators in May.

"The law says they had the authority to do what they did. But we all know it wasn't right," he said.

The Campaign for Popular Democracy [CPD] is likely to take a more compromising stance toward Gen Chatchai.

CPD secretary-general Somchai Homla-or said he was opposed to Gen Chatchai as prime minister on principle because of his "flawed character".

"We will make comment publicly, but we will probably not stage a public protest," he said.

"Political etiquette dictates he should not assume the position. But it's not clear at this time if he's inclined toward dictatorship. We have to accept the situation as long as it is within the legal boundaries."

Mr Somchai did not completely rule out the possibility of a public protest however. He said the CFD would make a decision on this matter based on developments after the election.

He said his organisation would complain publicly about Chat Phatthana's lack of a clear policy on the issues of democracy and the military.

"They only talk about economic issues, but avoid discussing the direction of democratic development and the military," he said.

"We may issue an open letter asking them to clarify their stance on these issues."

Gen Sunthon, in voicing opposition to Gen Chatchai said: "It's OK for him to run for MP but he should not become prime minister."

He said the parties would have to work something out if Chat Phatthana won the most seats in the House.

"But I don't think it's appropriate for Gen Chatchai to be premier."

Gen Sunthon, a close friend of New Aspiration Party leader Gen Chawalit Yongchaiyut, said the NPKC staged the coup against Gen Chatchai's government on February 23 last year to eliminate corruption.

Gen Chatchai and other political figures say the coup was staged out of the mistaken fear that he was about to fire the military chiefs.

Political critics also say the coup was responsible for propelling the political situation towards the bloody suppression of pro-democracy demonstrators between May 17-20.

Gen Chawalit said in Roi Et Gen Chatchai was within his rights to fight the seizure of his assets at the order of the military- appointed Assets Examination Committee.

But Gen Chatchai should also prove his innocence, he said.

He refused to say if he had discussed the possibility of the four ex-opposition parties forming a coalition government when he met former premier Gen Prem Tinsulanon on Tuesday.

Phalang Tham Attacks Chatchai, Outlines Policies

BK2008023392 Bangkok BANGKOK POST in English 20 Aug 92 p 11

[Text] Chat Phatthana Party leader Gen Chatchai Chunhawan was taken to task by leading Phalang Tham Party [PTP] members at a campaign rally held at the National Stadium yesterday.

The PTP rally was also televised live by TV Channel 7 under the Government's election promotion programme.

PTP adviser Bunchu Rotchanasthian accused the former Chatchai administration of allowing uncontrolled land and property speculation, as well as causing land prices throughout the country to soar sharply.

He said prohibitive land prices had discouraged investment and made the poor and middle income-earners unable to afford housing of their own.

The fruits of the impressive economic growth, said Mr Bunchu, were reaped by scores of families and a handful of people while millions of others remain impoverished and are yet to experience any kind of benefit from the boom.

The former deputy prime minister in Gen Prem Tinsulanon's administration also accused the National Peacekeeping Council of causing extensive damage to the country's economy.

The worst hit was the hotel and tourism industries, said Mr Bunchu, adding that the negative impact also caused a drop in employment and revenue in the farming sector.

The PTP, if it is included in the next government, will propose the establishment of a special fund to develop water resources by dredging rivers and klongs and digging ponds for water catchment.

Roads will also be built to facilitate the movement of farm products from the fields to the market, he added.

On housing, Mr Bunchu said the party would give a bigger budget to the National Housing Authority, as well as raise additional funds through the issuance of bonds for housing projects for the poor.

PTP deputy leader Prasong Sunsiri charged that the February 23 coup staged last year by the NPKC [National Peacekeeping Council] had caused extensive economic and social damage to the country.

Investment which should have totalled 520,000 million baht had dropped to 280,000 million baht and exports had plunged to 390,000 million baht from a projection of 860,000 million baht, Sqn Ldr Prasong noted.

He said in the past 60 years Thailand had drifted in a political whirlpool, never getting any closer to democracy.

There was a coup approximately every two years and there were altogether 15 constitutions with nine of them passed by the Parliament and the rest issued by revolutionary councils, he said. Citing the October 14 uprising in 1973, the October 6 riot in 1976 and the May incident, he noted that there was a tendency for coups becoming more bloody.

However, he said, former ministers from 1932-1957 were more honest, ethical and resourceful than their modern-day successors, especially those of the former Chatchai administration.

The PTP deputy leader said the prime minister was the most important figure in a government.

"If the government leader is good, sacrificial, honest and hard-working, his ministers, although not as good, will not dare do anything bad," said Sqn-Ldr Prasong, citing the administration of Gen Prem.

He said that although MPs and senators today were, on average, more educated than their counterparts in the past "their ethics are lower."

On foreign policy, he said the PTP intended to influence the military regime in Burma to recognise human rights and to be more open to democratic reform.

In Cambodia, he said, the Khmer Rouge remains an obstacle to the peace process because of its refusal to disarm.

He said the PTP has measures to encourage the Khmer Rouge to cooperate in the peace process.

The PTP deputy leader said the trade in gems and timber from Cambodia and Burma only benefit a handful of Thai merchants and military men while the kingdom received nothing.

Armed Forces Restructuring Plan Viewed

BK2408141992 Bangkok KHAO PISET in Thai 14-20 Aug 92 pp 11-13

[Article by KHAO PHISET political staff]

[Excerpt] News reporters are still asking for a statement on the result of the investigation into the May incident carried out by the committee chaired by General Phichit Kunlawanit, then deputy permanent secretary of the Defense Ministry. Not many of them seem to be aware of the fact that Gen. Phichit is now being entrusted with another project which is no less important than the previous one. The work would oblige him to remain in the Army after his mandatory retirement in October. Besides working on the second list of the annual military reshuffle, Gen. Phichit is now preparing the Armed Forces' restructuring plan, with a highlight on the dissolution of the Supreme Command. This requires both the mental and physical energy of the West Point-trained officer, who is known for his contributions to the social and academic development of the country.

A highly placed source told KHAO PHISET less than a week after the first reshuffle list was announced: "The Armed Forces will extend the tenure of Gen. Phichit another year when he reaches his mandatory retirement in October. He will be made an adviser to the Supreme Command in order to enable him to carry out the Armed Forces' restructuring plan." According to the source, details of the plan are being drafted.

A plan to restructure the Armed Forces, particularly a move to streamline the power of the commanders in chief of the three branches of the Armed Forces, was heard since General Saiyut Koetphon was supreme commander. The issue was brought to attention when General Chawalit Yongchaiyut was Army chief and supreme commander. On principle, it was suggested that Thailand adopt the "joint chief of staff system" of the United States and adjust it to suit the conditions in Thailand. It seems that the plan, conceived a long time ago, might be made into a reality this time just because of the violence in May, which has put into focus the "problem" of the lack of authority at the Defense Ministry, an authority commanding and controlling operations by the Armed Forces commanders-in-chief.

A source at the Defense Ministry, who requested anonimity, told KHAO PHISET that the plan is being worked out by Gen. Phichit, and it is supposed to be implemented within the next five years. By then, the Defense Ministry will have "absolute authority" over all branches of the Armed Forces—the same power enjoyed by other ministries where ministers have power in decisionmaking and granting of approval to projects above the authority granted to permanent secretaries or directors general.

The "draft" of the plan on restructuring the Armed Forces consists of a restructuring of the Defense Ministry as follows:

—The Office of the Permanent Secretary will be made to oversee and control the state enterprises of the ministry in addition to its existing responsibilities.

—The Office of Policy and Planning of the Defense Ministry will be upgraded to the same level as the Office of the Permanent Secretary, with its head of the agency being an officer at the rank of field marshal, the same as the defense permanent secretary. The office will have jurisdiction over the National Security Center, the Central Security Command, the Department for Mobilization (during war time). Most of the departments under this office will be those transferred from the Supreme Command.

—The Supreme Command will be dissolved, and it will be replaced by the Office of the Military Chiefs of Staff of the Defense Ministry. This office will supervise the various branches of the Armed Forces—the Army, Navy, and Air Force, as well as all educational and research institutes under them. This chiefs of staff office will have "control" over all operations of the Armed Forces, including troop movement and transfers or reshuffles, which in future will need approval from this office.

"This is an adoption of the U.S. system. While the U.S. system has four divisions, we will have only three. It is believed details of the organization will be made public soon," the source said.

The joint chiefs of staff system based on the U.S. system will feature checks and balances on the power of command among the three lines—the chain of command, the space of command, and the unity of command [terms published in English].

In addition, Gen. Phichit proposed "a guideline" in keeping up with the two military reshuffle lists of this year. He proposed that, as a principle, officers involved the May event, from the level of commanders to commanding officers, will be subject to "rotation", meant to remove them from their positions in a bid to improve the image of the Armed Forces and to renew the relationship between soldiers and the people. And from now on, there will be a policy of rotating major positions every two years to prevent officers from building influence and power. There has been no time limit for tenure of any position in the past. This will be applied to officers from the level of commanders to combat personnel.

The list of the second reshuffle of this year is reportedly complete. It has been reviewed by General Wanchai Ruangtrakun, defense permanent secretary, and already sent back to Gen. Phichit. The source told KHAO PHISET: "Wanchai does not want to have any problem after his retirement. He therefore passed the buck to Gen. Phichit and has already gone abroad."

According to the "policy and guideline" of Gen. Phichit, entrusted to both the defense minister and defense permanent secretary, officers involved in the May crackdown must be phased out in turn. Based on this principle, those who will have to go are: Major General Thitiphong Chennuwat, commnander of the 1st Army Division; Major General Suwinai Boribunnangkun, commander of the 9th Division: Major General Phanom Chinawicharana, commander of the Burapha Task Force, a classmate of Lieutenant General Chainarong Nunphakdi. Those major figures in the May crackdown will be removed from their posts. According to an in-depth source, most of those officers will be made officers "attached" to the Army.

Moreover, this group of officers will be subjected to a disciplinary investigation to be carried out by the government-appointed committee, the same committee in charge of tracing the missing. It is possible that, during the investigation, those officers could be "relieved from duties" under an order from the Army pending results of the investigation. [passage omitted]

Vietnam

'Validity' of Nonaligned Movement Affirmed

BK2708114992 Hanoi Voice of Vietnam in English 1000 GMT 27 Aug 92

[Station commentary]

[Text] In just a few days, the 10th summit of the Nonaligned Movement is going to be held in Jakarta, the capital of Indonesia. The meeting is regarded as a significant event marking a new development in a 30-year-old movement. Following is our radio's comment:

In the last 30 years, the Nonaligned Movement has been considered a great force contributing to the cause of peace and world development. In recent years the movement has met with innumerable difficulties and big changes. Should the movement exist or not is a question asked by many people. However, there is no doubt that the Nonaligned Movement will remain as it is. The meeting last May of the Ministerial Coordinating Committee of Nonaligned Member Countries affirmed the existence and validity of the movement.

Heralding the summit, Indonesian President Suharto will become the next president of the Nonaligned Movement. President Suharto spoke at last May's meeting of the necessity of expanding the role of the nonaligned countries. At the coming pansummit, heads of state of world countries are expected to reaffirm the movement's existence and continuing development. The reaffirmation conforms with the fact that at its first summit in Belgrade, of the former Yugoslavia, the movement had 25 members. Now that number has increased to 105.

The movement these days faces many challenges such as the uncertainties which follow the break up of the former Soviet Union, the collapse of the U.S.-Soviet balance of power, the serious crisis in Yugoslavia—which now serves as the current president of the movement—and the economic difficulties facing Cuba and many African nations, et cetera. In regard to that situation, there is a consensus among nonaligned members as to their activities. They all agree to consolidate the nonaligned bloc, hold high the banner of peace, independence, and development. With those objectives, surely the 10th nonaligned summit will be crowned with successes.

Vu Oanh at Youth Central Committee Conference

BK2708052392 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Aug 92

[Text] A conference was held in Hanoi from 14 to 18 August by the fifth central committee of the Ho Chi Minh Communist Youth Union to discuss the basic contents of the forthcoming sixth national youth union congress.

According to reports received from more 30 provincial and city youth union organizations and various youth committees in the armed forces, as many as 500,000 views have been contributed so far to the political report of the congress.

Apart from making many more suggestions to the draft political report and the revised youth union statutes, the delegates affirmed the need to continue with renovation, the promotion of the youth union development and the organization of cadre training and management, and defining policies for youth union cadres.

They also pointed out the need for the youth union to develop various forms of organization and operations in an effort to rally and encourage them to participate in socioeconomic programs and national construction and defense, as well as care for and educate children and build up the Ho Chi Minh Vanguard Teenagers Unit.

Comrade Vu Oanh, Political Bureau member and secretary of the Party central Committee, attended and addressed the conference.

Le Kha Phieu Attends Aug Revolution Meeting

BK2508135892 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 17 Aug 92

[Station correspondent Ngan Lien's report on 15 August meeting of members of the former Vietnam Liberation Army in Bac Thai Province—portions recorded]

[Summary from poor reception] On 15 August, in Thai Nguyen City, Bac Thai province, members of the former Vietnam Liberation Army [VLA] attended a cordial meeting to mark the 47th anniversary of the August Revolution. Attending the function were more than 120 delegates representing the former VLA, the Bac Son Guerrilla Unit, the Cao Bang Armed Unit, the VLA Propaganda and other groups.

"Also attending the meeting were Senior Lieutenant General Le Kha Phieu, secretary of the Communist Party of Vietnam [CPV] and head of the Vietnam People's Army [VPA] General Political Department; Comrade Nguyen Ngo Hai, member of the CPV Central Committee and secretary of the Bac Thai Provincial Party Committee; Comrade Ngo Hoang Thai, member of the CPV Central Committee and secretary of the Cao Bang Provincial Party Committee; leading cadres of the party and administration from Bac Thai, Ha Giang, Tuyen Quang, Cao Bang, Lang Son, and Yen Bai Provinces; representatives from the Ministry of National Defense, the VPA General Staff, Office of the VPA General Political Department, commanding officers of the 1st and 2d Military Regions, and a large number of newsmen from newspapers, radio, and television stations at home and abroad."

At this meaningful meeting, members of the former VLA were elated to welcome General Vo Nguyen Giap and Senior Lt. Gen. Dam Quang Trung, chairmen of the organizing committee of the meeting. In an opening speech at the meeting, Senior Lt. Gen. Dam Quang Trung said:

[Begin Dam Quang Trung recording] "Today, with the assistance of the Ministry of National Defense, the VPA General Political Department, the VPA General Staff, people's committees of various provinces [words indistinct], particularly, the assistance from the 1st Military Region and Bac Thai province, members of the former VLA are able to attend this meeting after 47 years [words indistinct] and since the founding of the VPA. The heroic Vietnamese army, starting from a small armed forces [passage indistinct] has enthusiastically and seriously implemented orders from the higher echelons, endured hardships, [words indistinct], and fought gallantly, thereby being able to resist the cruel enemies and annihilate many of them. The army has satisfactorily fulfilled its historic mission and has set many good examples for various corps and units, thus encouraging them to surge forward to achieve maturity and to fulfill assigned tasks and international obligations." [end recording]

Afterward, Senior Lt. Gen. Le Kha Phieu, on behalf of the party Central Committee Secretariat, delivered a speech welcoming members of the former VLA. His speech will be broadcast in a later cast.

Following Senior Lt. Gen. Le Kha Phieu's speech, Comrade Nguyen Ngo Hai, member of the party Central Committee and secretary of the Bac Thai Provincial Party Committee, made a speech expressing the profound sentiment and gratitude of the province's party organization and people toward the veteran revolutionaries.

Afterward, Gen. Vo Nguyen Giap delivered a speech expressing profound sentiments toward his former colleagues and comrades-in-arms, and recalling experiences as well as weal and woe he shared with these people almost 50 years ago.

"Next, the comrade representing the VPA General Political Department, read a greeting message to the meeting from Gen. Doan Khue, minister of national defense.

"The message says in part: On this auspicious occasion, on behalf of the Military Commission of the party Central Committee, the Ministry of National Defense, and all cadres and combatants of the Armed Forces, I would like to convey to you my warmest greetings. I wish you comrades good health and the ability to continue developing our heroic VPA's tradition of determination to fight and win, to firmly maintain the spirit of Uncle Ho's soldiers, and to contribute—together with the entire party and people—to triumphantly implement resolution of the Seventh CPV Congress and other resolutions of the party Central Committee, especially in implementing the renovation undertaking, building socialism, and firmly defending the socialist Vietnamese Fatherland."

Dear friends, to conclude the meeting, representatives of the former VLA took turns expressing their impressions and their thanks for the warm welcome extended to them by the agencies concerned.

Addresses Members of Former VLA

BK2608134592 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 17 Aug 92

["Contents" of a speech delivered by Senior Lieutenant General Le Kha Phieu, secretary of the party Central Committee and head of the Political General Department, at a 15 August meeting of members of the former Vietnam Liberation Army [VLA] in Bac Thai Province to mark the 47th anniversary of the August Revolution and 2 September National Day—recorded]

[Text] Comrade General Secretary Do Muoi and other comrade members of the Political Bureau and the party Central Committee Secretariat were profoundly moved when they were told by Comrade Dam Quang Trung about your desire to hold a meeting for members of the former Vietnam Liberation Army [VLA]. They all deemed it necessary to help you make adequate arrangements for this get-together. The Ministry of National Defense, the General Staff, and the Political General Deparment were also notified by Comrade Dam Quang Trung of your request. The Ministry of National Defense warmly welcomed your idea and tried its best to coordinate with Bac Thai Province and the First and Second Military Regions in helping with this get-together for all of you, comrade veteran combatants, disciples of Uncle Ho, and preeminent big brothers of our Armed Forces.

As you may know, the comrade general secretary and a number of other comrade members of the Political Bureau cannot attend this meeting because they are leading our high-level party and state delegation for a visit to Laos. Other comrade members of the standing bodies of the Political Bureau and the Secretariat are also very sorry for not being here with you today. Therefore, I was asked to come and convey to you the regards and congratulations of the Secretariat and the Political Bureau.

Dear comrades, given the very complicated international situation, socialism has been faced with difficulties in a number of countries. Although having new opportunities, our country is still rife with difficulties and challenges. Faced with that situation, our people still put their confidence in the party and revolution. To substantiate our remark, we can mention the fact that the renovation undertaking has achieved initial yet important results. Furthermore, the recent election of deputies to the ninth National Assembly was an important political event. A democratic atmosphere has prevailed in the countryside as well as in urban areas. People have elected the right candidates to the state management mechanism.

It must be said that the political stability of our country must be credited to our party's correct leadership. The party's sound political leadership and the people's confidence in the party and revolution constitute the very basic conditions for us to continue to march forward.

Occasionally, there have emerged calls and even irrelevant arguments urging people to get rid of, forget, or even negate past achievements. Of course, if one negates past achievements, one will pay no attention to (? other people's views). In the past, at our meetings in the jungle, Brother Nam and Comrade Dam Quang Trung often reminded us of the need to make young generations (?aware of the importance of singlemindedness). We fully understand the importance of that issue.

The Secretariat believes that this get-together will provide you with the opportunity to recall traditions and remind our children and grandchildren of the need to respect past achievements and the meritorious services that their fathers and grandfathers have rendered to the nation. Nonetheless, besides a review of past achievements, we should raise the need to safeguard and preserve the revolutionary gains in order to carry on the task of building and developing our country along the path chosen by Uncle Ho and our people. This is a clear, unchangeable objective.

As we all know, in certain countries in the world, people have forgotten past achievements or have negated the revolutionary gains. As a result, those countries have met with numerous difficulties. As far as our country is concerned, we are determined not to commit the same mistakes.

At this get-together with you, whom I regard as my uncles, elder brothers, and comrades who have taken the lead in the struggle to lead the nation out of a precarious situation, on behalf of the Secretariat and the comrade members of its standing body, I would like to tell you this: No matter how complicatedly the situation may develop, our party is always determined to persist in the path chosen by President Ho and our people, as well as to motivate our entire people to safeguard the revolutionary gains and continue to make the goals of the renovation undertaking come true.

Once again, on behalf of the Secretariat, I call on all of you, whom I regard as my uncles and comrades, to contribute your suggestions as to how the central and local governments can improve their leadership. This constitutes the very basis for us to safeguard and develop the revolutionary gains. It will also help further consolidate the close relations among the party, people, and veteran comrades. I am positive that this will help the party Central Committee, the Political Bureau, the Secretariat, and the local governments at all levels fulfill their duties toward the party and people, and that it will also be an indicator of our respect for our predecessors.

I would like to thank you again, comrades and friends.

Doan Khue Receives Former 'Liberation' Soldiers

BK2708093092 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 18 Aug 92

[Text] On the occasion of the 47th anniversary of the August revolution and the 2 September National Day, on the afternoon of 17 August in Hanoi the party Central Committee Political Bureau and Secretariat and the Ministry of National Defense received a delegation of former Vietnam Liberation Army soldiers currently on a visit to the capital.

Attending were General Doan Khue, member of the party Central Committee Political Bureau and minister of national defense; Senior Lieutenant General Le Kha Phieu, secretary of the party Central Committee and director of the General Political Department; Senior Lieutenant General Nguyen Trong Xuyen, member of the party Central Committee and vice minister of national defense; Senior Lieutenant General Tran Van Quang, vice minister of national defense; and many high-ranking cadres representing various organs of the Ministry of National Defense and General Political Department.

On behalf of the Political Bureau, Secretariat, and Military Commission of the party Central Committee, Comrade Doan Khue warmly welcomed the members of the delegation of former Vietnam Liberation Army soldiers—the veteran combatants who fought persistently for the cause of national liberation. They included members of the Bac Son guerrilla units; national salvation units 1, 2, and 3; the Cao Bang armed unit; the anti-Japanese unit; the first class of the anti-Japanese politicomilitary school, and the Vietnam Liberation Army propaganda team.

On behalf of the 52 delegates representing 120 former Vietnam Liberation Army soldiers, Comrade Dam Quang Trung sincerely thanked the Political Bureau, Secretariat, Military Commission, and Ministry of National Defense for their sympathetic concern and reception deeply imbued with comradeship. He asserted the determination to continue the past tradition of the Vietnam Liberation Army soldiers so as to contribute energy and thought to the revolutionary undertaking of the party, and persist on the socialist path chosen by the party, Uncle Ho, and our people; as well as to struggle during his entire life to follow the teachings given to the Vietnam People's Army by Uncle Ho.

During its stay in the capital of Hanoi, the delegation of former Vietnam Liberation Army soldiers paid tribute to President Ho Chi Minh at his mausoleum and visited his living quarters and office. They also visited and honored the Ho Chi Minh museum and army museum.

New Zealand

Government Supports 'No-Fly' Zone Over Iraq

BK2708044792 Hong Kong AFP in English 0417 GMT 27 Aug 92

[Text] Wellington, Aug 27 (AFP)—New Zealand supported the decision to impose a "no-fly" zone over southern Iraq, Foreign Minister Don McKinnon said in a statement Thursday.

It had a humanitarian aim, he said, claiming Baghdad was engaged in acts of repression in the region.

"New Zealand does not want to see the territorial integrity or national dignity of Iraq compromised in any way," he said. "What we want is an end to the suffering of the Iraqi people at the hands of their government."

Government Not To Delay Defense Ties With Fiji

BK2708052892 Melbourne Radio Australia in English 0500 GMT 27 Aug 92

[Text] The New Zealand Government has rejected an appeal from the Fiji Labour Party to delay the restoration of military links between Wellington and Suva.

Spokesman for New Zealand's deputy prime minister, Don McKinnon, said the restoration of military links had depended on Fiji returning to a parliamentary democracy, and not on a review of the country's constitution.

The statement comes as Filipe Bole, Fiji's foreign minister, began two days of talks in Wellington to resume defense links between New Zealand and Fiji.

Earlier, Fiji Labour Party president, (Joshua Pikikorae), called on New Zealand to review what he termed Fiji's racist and undemocratic constitution before restoring any defense links.

Vanuatu

President 'Seriously Ill' in New Zealand Hospital

BK2408120092 Hong Kong AFP in English 1138 GMT 24 Aug 92

[Text] Port Vila, Aug 24 (AFP)—President Fred Timakata of Vanuatu is still "seriously ill" after hospital treatment in New Zealand, state-run Radio Vanuatu reported Monday.

Timakata, 55, arrived in New Zealand on August 15 after several days in Port Vila hospital, Foreign Ministry sources said.

The radio said medical authorities in Auckland were unwilling to disclose the president's illness, but it quoted officials as saying, "his condition is believed to be serious."

Timakata, who began a five-year term as president in 1989, is expected to undergo two weeks of medical treatment in Auckland.

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situation, like the cold war structure and the long division of the Korean peninsula (for which Japan has much responsibility), has supported such attitutes by the Japanese.

The problem is that the Japanese Government is trying to maintain that attitude even now. We can see that attitude in the rapprochement talks going on between Japan and North Korea (DPRK). The delegate of our government referred to the "issue of claims" at the fourth meeting in September 1991, and said, "Damages done to people, such as deaths caused by legally enforced conscriptions into the military or labor services, cannot be subject to compensation" (ASAHI SHIMBUN 2 Sep 1992 Morning Edition). The delegate was also reported to have told the North Korean people that "requests for compensation based on the right to claims will require objective data" and that if "postal savings have not yet been withdrawn or wages during the conscription labor service remain in arrears, the people concerned must provide documents of proof like savings account records" (ASAHI SHIMBUN 2 Sep 1991 Morning Edition). While I am a Japanese, I shudder at the attitude of this arrogance and insolence.

The issue of "comfort women for the troops" came on the agenda for the first time in the sixth meeting. We will see here some exchanges that took place between the two sides at the seventh meeting:

North Korea: Compensation for the damages and agonies suffered by the Korean people will become a measure of the sense of the moral values of Japan. A typical example will be that of the comfort women for troops.

Japan: The question of compensation should be disposed of as a matter of property claims between the two nations. Compensation for the 45 post-war years cannot be accepted. We are willing to discuss the matter only within the framework of the right to property claims. If the matter is taken up, we will need to have documents of proof relating to the facts and there will need to be a legal basis valid under currently effective laws.

North Korea: Can the former comfort women for troops request compensation under the right to property claims?

Japan: We are currently in the process of determining the facts relating to the question of the comfort women for the troops. We will not object to your side including in requests for compensation those concerning the comfort women for the troops as long as they are within the framework of the right to property claims and have legal grounds. We are willing to discuss them with you.

North Korea: The question of compensation can be solved not by words promising that Japan will not repeat the history of invading another country, but by actions indeed. (Above from YOMIURI SHIMBUN 15 May 1992 Morning Edition)

How arrogant this is—to demand that the victims should provide evidence and legal grounds if they want compensation. There is no way negotiations will make progress when such an attitude is taken by one side. But this arrogance, impudence or shameessness is not a monopoly of the delegates of our government only. We have to realize the fact that we have allowed them to act that way.

Hunting 'Comfort Women' and 'Bear More and Raise More'

Another reason why the issue of "comfort women for the troops" has been overlooked for so long in the Japanese community is because we, women, have not been able to see through the gimmick on the rule of sex (in other words, the government sex policy). We have been put to sleep on the question of sex, which is a very basic human right for women.

As noted before, the reason why the militarist rulers did not send young Japanese girls to the frontlines as "sexual comforters" (comfort women) was not because they recognized the human rights of the girls, but because they were afraid of losing their "reproductive capacity" as "reproducers" of "human resources."

While they were vigorously hunting for "comfort women" on the Korean peninsula, they were at the same time shouting "bear more and raise more" on the main island of Japan. By May 1940, the Eugenic Protection Act had already been promulgated. The law announced that "eugenic operations" (in other words, surgery to prevent pregnancy) would be conducted on "people who had physical characters resulting from vicious hereditary diseases), while encouraging "healthy and sound people" not to limit giving birth. Truly, it was state control on sex to increase reproductivity—human "productivty". In January 1941 or the following year, the cabinet passed "the Guideline on the Population Policy Establishment" at the strong request of the military leadership. Under the guideline, the average age for marriage of newlyweds was lowered by three years, and the target of an "average of five births" per couple was set—in hopes of increasing the population of the "main island" (purely Japanese population) to 100 million. It meant the advent of the age of "bare more and raise more" in earnest (even though in fact it turned out to be the case of "bare more and lose more" because so many babies died in those days).

The military maintained that it would depend on the women's "delivery capability" (i.e. fertility) to ensure a sufficient "supply" of troops and laborers, who used to be regarded as expendable commodities because they could be easily mobilized with cheap draft cards. The military pursued its population policy (or rather the sex policy) based on this premise. Among materials recently made public is a rare document entitled "On Measures To Deal With Venereal Diseases for Japanese Troops Participating in the Great East Asia War," which is now kept in the library of the Defense Research Institute. The

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material is a copy of the notice sent by an adjutant general at the Ministry of the Army to each unit of the Army—the gist of the notice is as follows:

In order to keep combat capabilities from weakening through the use of strict control measures for venereal diseases on the front-lines, and to prevent venereal diseases from infecting Japanese in mainland Japan, we would like to publicize the following points (omitted).

Reasons

Across the ages and the countries of the world, there have been many cases where venereal diseases were spread at home after the end of a war. Our troops that participated in the Great East Asia War have returned home with venereal diseases and this has caused serious problems in their marriages and for Japan's population policy (omitted).

While a tough sex control law was imposed on women in the "mainland of Japan," foreign women in nations under Japanese colonial rule and other nations occupied by Japanese troops were abused sexually by Japanese troops. Japanese women must keep in mind the fact that the foreign women were forced to sexually entertain Japanese troops. I want Japanese women to realize correctly how slogans like "Japan and Korea are one" and the "Great East Asia Co-Prosperity Sphere" were full of vanity.

The Brothel System and the Patriarch System as Cause

Not only "sex for fertility," but "sex for pleasure" was controlled. The Meiji Government [from 1968 to 1912] controlled the populace's sex life by turning the conventional prostitution system into a brothel system soon after its inauguration. The brothel system was nothing more than a state-managed prostitution system. I believe that without the brothel system, which was backed and protected by the state, it would have been impossible for the military and the government to run and manage the comfort women system.

Under the brothel system, Japanese women were classified into "general women" and "prostitutes" and the prostitutes were subject to the contempt of general women. Although the prostitutes were suppressed under the brothel system and the general women under the patriarch system, they failed to share the viewpoint that they were the victims of sexual suppression and should forge any solidarity. The power succeeded in splitting Japanese women.

Under the brothel system, men were also sexually controlled. Outwardly men were permitted to enjoy a free sex life, but they should have realized that their sex life was in the hands of the power.

The "comfort women system" was a brothel system for the Imperial Army (the army of the emperor). Outwardly, Japanese troops were sexually entertained by the system, but their sex life was controlled by the military power. The "conform women rule" worked out in detail by the military authorities is evidence that substantiates my assertion. Sexual comfort was provided to defuse the explosion of discontent and rebellion among Japanese troops during wartime.

I have already pointed out that the "comfort women system" is deeply rooted in the brothel system and the patriarch system. I have no space in this article to detail the origin of the patriarch system since Japan embarked on modernization. To put it simply, the patriarch system in Japan since its modernization is a system totally based on the male jus sanguinis, however. The "family line" is succeeded by male jus sanguinis while women have no purpose other than giving birth to sons who will succeed the family line. Men have been openly permitted to keep mistresses when their wives have been unable to give birth to sons for them. (On many occasions, this has caused men or husbands to commit adultery).

As a result of the revision of the Civil Law following the end of the war, the family system has ceased to exist as a system when viewed from the legal standpoint. But the paternal family system continues to exist to date. A typical instance of the paternal family system is the Imperial family of the past and the present. In the Imperial family, an Imperial princess cannot hope to become an empress. If she comes of the age, she will be "married off" to a different family, and she ceases to be a member of the Imperial family. On the other hand, a female "wedded" to an Imperial prince will become a member of the Imperial family, and will come to be treated well as a member of the Imperial family and "the princess" for the whole of her life. That is because she is a being who can give birth to a child who will become a royal prince.

Meanwhile, it is impossible for a royal prince to secede from the Imperial family. You all know that when Prince Tomohito, the eldest son of Emperor Showa's youngest brother Mikasa Prince, eligible for acceding to the throne, wanted to secede from the Imperial family, Emperor Showa at that time firmly rejected it. Nor can the Imperial family adopt a son. All of these rules are aimed at maintaining the male lineage while rejecting the female lineage. The Imperial family is a typical paternal family.

Indeed, it should not be even necessary to say how the family system subordinated women to the family and men and how it restricted the roles of women to those of caring for their husbands, and giving birth and rearing children. We can say that it is due to this family system that the right to participate in politics as well as the right to work has been taken away from women. As noted above, the women of modern Japan have been victims of the paternal family system and the male-centered society. They have been victims of "sexual aggression" in a society dominated by male rights as well.

Nevertheless, Japanese women, although they were victims, also supported this male right or the society of the paternal family system. On top of forgiving the arbitrary conduct of men (buying prostitutes) and playing the roles of wife and mother more than enough under the paternal family system, Japanese women looked down on the "prostitutes," who were victims of the sexual oppression, and took sides with the men in racial discrimination. In this sense, we should not forget that they were on the side of the aggressors and suppressors at the same time. I believe that this clearly indicates the double role women played as aggressors and victims of oppression. Of course, we must not fail to notice the fact that skillful policies of rulers were involved. I would like to keep in my mind the fact that Japanese women have been consistently sexually controlled.

The Issue of "Comfort Women" Is Becoming an International Problem

It is a big mistake to think that the 6 July announcement of the investigation results put an end to the issue of "comfort women" for the time being. It became clear that, in addition to women in Asian regions, including the Korean peninsula, Taiwan, China, the Philippines, Malaysia, Myanmar, Singapore and Indonesia, the Japanese Army also forced Netherlands and Australian women to serve as "comfort women." I am of the opinion that more evidence of damages will be revealed in the future as the investigation progresses. It is inevitable under the circumstances that the issue of comfort women will be an international issue.

Like an incomplete investigation, it is impossible for me to think that "sympathy gift of money" [mimaikin] or a "relief fund" will convince the victims and settle the issue. Chief Cabinet Secretary Kato, in the press conference held on 6 July, did not change the government's previous views, saying that "the issue of compensation was settled in terms of law and agreement, (according to the page-four article of SANKEI SHIMBUN Morning Edition dated 7 July.) However, he explained that the government will take "some kind of measures" in lieu of compensation by "taking into consideration the fact that it is a humanitarian issue and became a political problem at top-level meetings between Japanese and South Korean officials," including summit talks held during Prime Minister Miyazawa's visit to South Korea in January, (according to the second-page article of NIHON KEIZAI SHIMBUN Morning Edition dated 7 July). It was reported that currently the government is studying four plans, which came up within the government, for: 1) establishment of a fund, 2) construction of a hall, 3) construction of a monument to express an apology and 4) making individual compensations, (according to the third-page article of MAINICHI SHIMBUN"Morning Edition dated 7 July.) Of the plans, "the establishment of a fund designed to provide support to former comfort women is the likeliest idea to be realized," (according to the same NIHON KEIZAI SHIMBUN article).

As I wrote in another article (reference to the August 1992 issue of MIRAI magazine article entitled "Can the Comfort Women Issue Be Settled by a 'Sympathy Gift of Money' or 'Relief Fund'?"), the situation is not so easy to patch up by a relief fund, however, or a sympathy gift of money; the situation is serious.

A South Korean women's organization called the Council to Work Out Countermeasures for Issues of Volunteer Corps, which was established in October 1990, already filed a suit with the United Nations Human Rights Committee in February this year. Moreover, the Council will hold a "conference for the solidarity of Asia regarding the issue of the volunteer corps (comfort women)" under the joint auspices of the Asian Women's Academy of Theology in Seoul on both 10 and 11 August this year. It is scheduled that at the conference, a "report will be made on the actual situation of damages suffered by comfort women in each country and resolutions will be adopted after holding discussions on forming a joint network for settlement of this issue." In addition to South Korea, women from Myanmar, Taiwan, China, Thailand, the Philippines, Indonesia, Malaysia and Japan will attend the conference. It seems that the movement for restoration of human rights and respect for the female sex in each country concerned with the issue of comfort women will steadily expand and gain momentum.

We should not allow an easy political settlement or governmental compromise without involving the victims. Compensation should be made. Measures to solve the issue without reflecting the intentions and opinions of former "comfort women," who are the victims, cannot be a settlement at all.

Feminism in Japan Being Tried Out

The issue of "comfort women" is raising questions about the past, present, and future of Japan.

As I have already explained, Japanese women allowed the "sexual aggression" of the paternal family system in the past. We are allowing it even now.

Japanese men are buying Thai girls at "prostitution" zones, where the so-called men's Disneyland is located, in Thailand. They are bragging about it, saying that "we are contributing to the development of the local economy." Reportedly, a growing number of men choose young girls or children as their sex partners because they are afraid of contracting AIDS; it was venereal disease before.

The sexual morals of the Japanese have not changed at all since the time of "comfort women." Is it not true that feminism or the women's movement is unthinkable without raising questions regarding the issue of sexual oppression? Should we become the collaborators or helpers of "sexual aggression" by tacitly allowing sexual oppression, or should we stand up together to face the issue by sharing the pains of the victims? We, ourselves, are being tried out.

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Foreign Firms Enter Market Via Joint Ventures

922A0305A Tokyo M&A REVIEW in Japanese Apr 92 pp 2-3—FOR OFFICIAL USE ONLY

[Interview with Hiroshi Nakamura, director and general manager, Investment Banking Department, The Industrial Bank of Japan, by M&A REVIEW staff; place and date not given]

[Text] Declining economic growth rates in the United States and European countries, coupled with high economic growth rates in Southeast Asian countries, are forcing U.S. and European firms to move into Asia. Especially in the case of Japan, a major consumer nation with a population of 120 million, this expansion of foreign business has drastically changed its character from direct export of goods to direct investment. Mr. Nakamura's advice is that the successful route for expanding into Japan, where company buyouts are practically impossible, lies in the establishment of joint ventures that can provide operational bases.

[M&A REVIEW] Your bank has set up an Out-In Team [that deals in providing consultation to foreign firms about how to do business in Japan.]

[Nakamura] The team, which is not of a size worthy of being called a "team" since it consists of only five members, three males and two females, was established in September of last year (editor's note: M&A [mergers and acquisitions] teams of The Industrial Bank total 20 members). The line of business itself began two years and three months ago, when a person who had worked on the bank's industrial survey, as well as with a foreign subsidiary working out its Japan strategy, happened to be assigned the task. While various requests and questions had come to us from foreign firms concerning Japan strategy, until that time we were too busy dealing with in-out work [providing consultation to Japanese firms about doing business abroad] that we were in no condition to take on additional out-in assignments, given the limited number of staff. Besides it was not at all certain if out-in business could be profitable. Therefore, the work started on a trial to see if it could become a business.

[M&A REVIEW] What was the outcome?

[Nakamura] While much depended on the ability and perception of the person in charge, one year after the start it became clear that a considerable number of firms were interested in moving into the Japanese market, including some U.S. firms on the Fortune 500 list as well as well-known European companies.

Foreign Firms Are Latecomers

[M&A REVIEW] Did this mean that out-in work can become a business?

[Nakamura] The team was formed on the basis of a judgment that the business can be in the black for the following reasons: First, the introduction of Japanese partners to foreign firms could be considered a part of the business that a bank performs. Further, foreign firms were accustomed to pay for services, which made it easy to obtain a revenue perspective for each case. The business would also be indirectly beneficial to the bank as a whole in that it would create many points of contact with the world's first-rate firms.

[M&A REVIEW] What do foreign firms aim at in moving into Japan?

[Nakamura] Japan is a major consumer nation with 120 million people. In addition, Southeast Asia has achieved very high economic growth rates when compared to the United States and Europe. For firms that traditionally have targeted U.S. and European markets, Southeast Asia has become an area that they can't ignore. From among those firms, ones particularly interested in moving into Japan contact us directly to inquire into help in how to go about entry.

[M&A REVIEW] What about the level of knowledge these firms possess about the Japanese market and companies?

[Nakamura] Since these firms do not have any base in Japan and are planning a move here for the first time, they often completely lack any knowledge. Therefore, we survey for them the state of their target industry, specific products available, and market size, thus providing a full account.

Partners of Negotiation Are Medium-Sized Firms

[M&A REVIEW] What types of Japanese firms are willing to be bought?

[Nakamura] As a practical matter, there hardly exist any Japanese firms that would sell themselves to foreign firms. Even if there were such firms, they tend to be of a small size unsuitable for major foreign firms to be interested in. When foreign firms come to understand the reality that buyouts cannot be done, they still ask to find at first a partner for a technical/business tie-up or joint venture.

[M&A REVIEW] Which industrial categories do these foreign firms belong to?

[Nakamura] That varies. If I may venture some, many are in chemical fields, especially pharmaceuticals. Other than that, representative ones include machinery, food, retail services, and restaurant chains.

[M&A REVIEW] What types of Japanese firms are inclined to be interested in forming joint ventures?

[Nakamura] The objects of joint-venture proposals are not major firms, but firms whose stocks trade over the counter; also included are medium-sized and small firms, ones that tend to have lagged behind in the trend toward internationalization. Category-wise, included are chemical industries, a segment of machine tools, and printing, which may possess more advanced technology than do foreign firms. Or firms from which synergic effects can be expected, e.g., development of new products that combine both partners' technologies, or sales of foreign products that make use of a partner's network or firms that seek foreign funds.

[M&A REVIEW] Is the probability slim that a major firm will join?

[Nakamura] It is possible in the future that if a major firm has an unprofitable division, then the company may separate that division and sell it or form a joint venture with it, provided the proposal were favorable to the division. However, in such a case, cooperation with a domestic firm would be considered first, so that the probability is higher for an in-in tie-up. Therefore, out-in and in-in are constantly exchanging information.

[M&A REVIEW] Are joint ventures the most reasonable form?

[Nakamura] It is unrealistic to invest directly in Japanese firms all of a sudden, or, to seek to acquire a majority of shares. The realistic way is to first make friends and gain a deeper knowledge of the Japanese market and the people, and then proceed to the next stage. With foreign firms, the starting premise should be that there does not exist a firm to be bought: Once the business does go well, on the other hand, it would be natural for the foreign firm to wish to place its cooperative partner, or the joint venture, under its future control.

[M&A REVIEW] Can you give examples of successful cases?

[Nakamura] Cases that can be publicized include Genetics Research Lab, a U.S. biotechnology venture, and Yamanouchi Pharmaceutical Co., Yokogawa Medical Systems (a subsidiary of GE) and Toitsu, in 1990; in 1991, U.S. machine oil maker Horton and Kyodo Fats and Oil Co.; in the printing industry, Donnelly of the United States and Sasatoku Printing Co.; and in the automobile parts industry, Harada Shindosho and Krauss and Hartmann of Germany.

The Question of Joint-Venture Percentages

[M&A REVIEW] What is the ideal ratio of shareholding for a joint venture?

[Nakamura] Although many joint-venture firms are operating successfully with a 50-50 percent holding of shares, ultimately one side must take the lead in the business, so that equality in investment poses difficulties. We encourage a foreign firm to start joint-venture negotiations aiming at acquisition of 51 percent of shares.

[M&A REVIEW] Do foreign firms persist in obtaining 51 percent?

[Nakamura] Yes. Foreign firms' attitude is to participate in the Japanese market and establish a wholly owned subsidiary. However, as this strategy does not achieve its goal, a buyout will be planned. When it becomes clear that buyout is also not feasible, then resort is made to seeking a partner or formation of a joint venture. If the Japanese side expresses reluctance to offer a majority share to the foreign firm, then, as a temporary measure, a joint venture will be formed with a 50-50 shareholding arrangement. However, since this is a temporary measure, the root of the problem remains unsolved. Thus the only available route in moving into the Japanese market remains inherently problematic; the question is whether to do so despite that state of affairs.

Efforts To Understand a Different Culture

[M&A REVIEW] Management of joint ventures poses difficult problems to both sides, such as differences in management policy, including those of the parent company, or methodological differences in business management.

[Nakamura] Before starting a joint venture, we urge both sides to make efforts to fully understand the other side's way of thinking and corporate culture. Through negotiations for the joint venture, people in foreign firms gradually come to understand the Japanese way of thinking. Differences in corporate culture and way of thinking inevitably result in differences of opinion somewhere. A contract must clearly state what to do when such a difference arises. However, a considerably large gap exists between theoretical situations and what one encounters in actual business situations.

[M&A REVIEW] What methods are available other than joint ventures?

[Nakamura] It may be possible to invest in Japanese firms as minority investors or even a buyout. There has been no example of a buyout, but the possibility does exist. Other than these, for foreign firms acquisitions of a department of a Japanese firm are ideal forms of moving into Japan. In the future, multiple ways of doing business will develop, starting with the formation of a joint venture as a commonsensical way.

[M&A REVIEW] What is the formula for payment?

[Nakamura] In the case of a purchase, the fee schedule for in-out business applies. In the case of cooperation or joint venture, payments are made in the form of a retainer's fee on a monthly basis that considers the fact that the service is time consuming. Fees differ entirely depending on contents of the service required, beginning with the survey of the Japanese market, searches for partners, etc.

[M&A REVIEW] Will out-in business expand in the future?

[Nakamura] Considering the fact that on the whole not too many firms will find business operations in Japan to be fully profitable, out-in business may be of a limited duration. In that sense, honestly speaking, the future of the business is not all that certain. My impression has been that out-in business will be hard to materialize. However, the soil for out-in business has been turning fertile, due to the recent trend which indicates that business managers come to hold more diversified points of view than I have imagined them capable of.

Editorial Encourages Drive for Political Reform

OW2508131092 Tokyo SANKEI SHIMBUN in Japanese 24 Aug 92 Morning Editorial p 2—FOR OFFICIAL USE ONLY

[Editorial: "Carry Through With Political Reform"]

[Text]**The End of Parliamentary Politics Nears**

For politicians, political reform carries the courage and pain which a surgeon feels when he performs an operation on his own cancerous body. Only politicians can perform the surgical operation called political reform; no one else can do that for them. As regards correcting the number of seats assigned to the House of Representatives [in which each constituency possesses the same number of seats despite differences in each constituency's population], the Diet is mandated to deal with them under the Constitution.

Even a surgeon with expert and scientific knowledge is prone to make an optimistic diagnosis on his own cancerous body and seek various excuses as an escape. With regard to the formulation of a draft for sweeping political reform by the ruling Liberal Democratic Party [LDP], Prime Minister Miyazawa has publicly said: "It would be difficult for the ruling party to make a final decision on the draft by November of this year." On 21 August, Secretary General Watanuki of the LDP indicated his anticipation that the formulation of the draft for sweeping political reform will largely be delayed until after November. His remarks also represent an escape from political reform.

In retrospect, Prime Minister Miyazawa, at a meeting on 10 August with reformist junior LDP Diet members, expressed his intention to separate emergency reform—which addresses the imbalance in the House of Representatives' seat distribution through the "idea of increasing one seat in nine constituencies and decreasing one seat in 10 constituencies"—from sweeping political reform. As a result, the prime minister has sought a way that means escape from political reform when he said: "I will ask the legislators to begin debate on sweeping political reform after the LDP makes a final decision on political reform in November of this year."

Since the Recruit financial scandal occurred, four successive prime ministers—Takeshita, Uno, Kaifu, and the incumbent Miyazawa—have continued to seek an escape from political reform. If politicians continue to take an escapist attitude toward reform, it will lead to the end of Diet politics. Deception does not work in this world.

Block Politicians From Seeking Way of Escape

As one means to defend their rights, people should launch a campaign to defeat in the next elections Diet members who are less enthusiastic about political reform. Before launching this campaign, people must correctly realize that political reform is not aimed at securing the immediate interest of the nation, but is aimed at curing a "disease which leads to death." People need to block politicians from seeking an escape. Every politician has the necessary wisdom to come up with of a way of finding an escape.

Prime Minister Miyazawa has begun to say that he intends to separate emergency reform from political reform, and his remarks represent another escape from political reform.

With regard to correcting the imbalance in seat distribution in the House of Representatives, during the Nakasone Cabinet the House of Representatives adopted a resolution calling for a rapid solution of the problem once Japan's total population had been tallied from the 1985 national census; then the correction should be made based on the Diet resolution. Compared with the Diet resolution, the idea of emergency reform is nothing more than an escape from political reform.

Needless to say, sweeping political reform based on the Diet resolution means reducing the seat differential per constituency for the House of Representatives to a margin of less than 2:1. But the Diet resolution has been left untouched for seven years. According to population registers released on 14 August by the Home Affairs Ministry, the seat differential per constituency for the House of Representatives turns out to have grown to 3.4:1. The emergency reform advocated by Prime Minister Miyazawa cannot narrow the vote differential even to a ratio of 2.76:1.

One of the basic policies pursued by the 8th Electoral System Deliberation Council during the Kaifu administration was to narrow the seat differential per constituency in the current House of Representatives to less than 2:1.

In other words, the less than 2:1 ratio will provide momentum to stimulate political reform. It cannot be denied that the retreat of the Miyazawa Cabinet to emergency reform has largely dampened the enthusiasm for political reform. Reformist and antireformist Diet members within the ruling party are debating the contradiction between sweeping political reform and emergency reform. We cannot but describe such a debate as cynical.

Establishment of the Right To Deliberate Unconstitutionality

The removal of such a contradiction is simple because the problem stems from emergency reform which the prime minister has devised as an escape from political

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reform. Among other things, ruling and opposition parties must return to the Diet resolution calling for sweeping political reform, which is aimed at narrowing the seat differential per constituency for the House of Representatives to less than 2:1. There is one thing the Diet must do immediately—like its counterparts in Britain and the United States, it must legislate a law which allows the transfer to an impartial third organization of the authority to increase or decrease the fixed number of seats in the Diet and to change the constituency system.

There is another way to block Diet members from seeking an escape from political reform—that is by a ruling handed down in 1976 by the Supreme Court stating the "notable inequality of vote values is unconstitutional." The ruling set "a ratio of less than 3:1 as an equitable and permissible vote differential," but did not nullify election results of greater than 3:1.

Article 14 of the Constitution stipulates that the "equality of vote values means less than a 2:1 seat differential per constituency." This is common sense and is widely shared by scholars of the Constitution. We believe that instead of handing down ambiguous rulings, the Supreme Court should hand down a single firm ruling establishing a certain period of time in which the Diet must rectify the seat differential per constituency and make any election results with a ratio greater than 2:1 ratio null and void. This is the way for the Supreme Court to establish its "right to deliberate unconstitutional legislation." The situation has reached such a critical point.

Needless to say, these emergency measures should be taken on the premise of keeping the current constituency system. If the Diet works on a sweeping correction of the imbalance in seat distribution in the House of Representatives, it would find fundamental and intractable defects in the constituency system, and would generate the necessary energy to make a sweeping reform in the current electoral system. If we cannot expect Prime Minister Miyazawa to do so, we have no choice but to launch a national campaign to force him into initiating sweeping reform of the current electoral system.

Editorial Opposes Increase in Consumption Tax

OW2408123192 Tokyo SANKEI SHIMBUN in Japanese 22 Aug 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "Do Not Hurriedly Raise Consumption Tax Rate"]

[Text] Ichiro Ozawa, former secretary general of the Liberal Democratic Party [LDP], recently referred to the need to increase the consumption tax rate (which is currently set at 3 percent). We cannot immediately support his idea of increasing the tax.

His remarks came in a response to questions from participants in the top executives' seminar of the Nikkeiren [Japan Federation of Employers' Associations]. The main point of his remarks was that in order to secure a revenue source for international contributions and to relax land-related taxes—such as the land value tax and the fixed property tax—the consumption tax rate should be increased while reducing the rates of direct taxes, including corporate and income taxes.

As regards securing a revenue source for international contributions, the possibility of introducing a new tax system—in which taxes on petroleum, liquor, and cigarettes would be increased—was proposed during the budgetary compilation process at the end of last year. Discussions on the concept were deadlocked due to a failure to coordinate opinions within the LDP's Research Commission on the Tax System, however. In the belief that "it will still be difficult to decide on the introduction of a new tax system in the budgetary compilation process at the end of this year," Mr. Ozawa is believed to have proposed raising the consumption tax rate to secure a revenue source for international contributions.

It has repeatedly been said that to reform the tax system it is necessary to "revise the ratio of direct and indirect taxes" by reducing the burden of direct taxes while increasing the rates of indirect taxes. It has been said the drastic cuts in corporate and income taxes will sweep away a feeling among enterprises and salaried-employees that they are heavily taxed, thus instilling energy in them. Tax authorities assert that to steadily increase tax revenues it is necessary to revise the current tax system, which depends too much on direct taxes and tends to be affected by the economic trend. We understand there are some grounds for their assertion.

The problem is that tax logic and political logic are two different things, however. Under the current situation, even if the government decides to increase the consumption tax rate in its budgetary compilation process at the end of this year, it seems impossible for the government to win the people's understanding for this increase.

Political reform has made very slow progress these days, and the people have begun thinking it is impossible to implement "a drastic reform in November," which was pledged by Prime Minister Kiichi Miyazawa. Where in the world has that enthusiasm for administrative reform gone? Before considering an increase in the consumption tax, the government should work out measures to reduce expenditures.

JR [Japan Railways] and NTT [Nippon Telegraph and Telephone Corporation] are the symbols of Japanese privatization. Such moves have stalled since the privatization of these two companies, however. While its agricultural policy—which attaches too much importance to protecting farmers—is subject to international criticism, the situation in which "excessive funds" are appropriated for welfare and education has remained untouched. Also, the current administrative system—which demands government's approval and permission, and which seems to be for nobody but bureaucrats—is still rampant in Japan.

Under such a situation, it will not be not easy to establish "a small government."

There is no denying that a huge revenue source is indispensable to promote international contributions, including cooperation in UN peacekeeping operations (PKO) and assistance to Russia. To secure the revenue source, it will be necessary to thoroughly review the current revenue system.

Some government officials say: "It is easier to calculate if the consumption tax rate is raised to 5 percent from the current 3 percent. Also, we do not have to be annoyed by carrying many one-yen coins." It may be true, but the general public is not so softhearted that they will reject such a theory for a tax increase.

North Korea

Kim Chong-il Said Not To Attend NAM Summit

OW2608044492 Tokyo SANKEI SHIMBUN in Japanese 25 Aug 92 Morning Edition p 4—FOR OFFICIAL USE ONLY

[Text] It has been reported in some quarters that Secretary Kim Chong-il of North Korea (DPRK) will attend the Nonaligned Movement's [NAM] summit conference in Jakarta next month. However, on 24 August a source in Tokyo that is concerned with the Korean Peninsula denied the report. The source said Indonesia had invited him to attend the conference but that Secretary Kim had decided not to attend because he thought it would be inappropriate for him to make his debut in the diplomatic arena at the event because of a failure to reach agreement on conference seating order.

The same source said that Indonesian Public Welfare Minister Roestam Soeparjo had held talks with President Kim Il-song in Pyongyang on 17 July as President Suharto's special envoy. At the meeting, Minister Roestam invited North Korea to attend the conference.

Originally, the Indonesian side had hoped that either President Kim Il-song or Secretary Kim Chong-il would be able to attend. However, because President Kim, at the age of 80, does not like to travel by air, the issue became whether or not Secretary Kim would be able to attend.

The North Korean authorities asked the Indonesian side about the seating order at the conference. It has been revealed that Secretary Kim would be seated behind presidents or prime ministers of other nations because he holds no important administrative post.

The North Korean side therefore decided that the conference would not be an appropriate occasion for Secretary Kim to make his debut in the international arena. The same Tokyo source said that "either Premier Yon Hyong-muk or a leader at the vice-presidential level would attend the conference."

A Japanese Foreign Ministry source said that "no information indicating President Kim Il-song's participation in the Nonaligned Movement conference has ever been received."